GENERAL MOTORS ANNUAL REPORT 1983

CONTENTS

PONTIAC FIERO Sport Coupe

Highlights

(Dollars in Millions Except Per Share and Hourly Amounts)	1983	1982	1981
Sales of All Products			
United States operations			
Automotive products	$63,665.0	$47,391.2	$48,803.5
Nonautomotive products	1,670.3	2,138.9	3,233.1
Defense and space	826.8	793.8	716.9
Total United States operations	66,162.1	50,323.9	52,753.5
Canadian operations	11,232.4	7,972.6	8,846.4
Overseas operations	11,955.5	12,212.8	11,870.5
Elimination of interarea sales	(14,768.4)	(10,483.7)	(10,771.9)
Total	$74,581.6	$60,025.6	$62,698.5
Worldwide automotive products	$71,904.7	$56,676.8	$58,384.6
Worldwide nonautomotive products	$ 2,676.9	$ 3,348.8	$ 4,313.9
Worldwide Factory Sales of Cars and Trucks (units in thousands)	7,769	6,244	6,762
Net Income			
Amount	$ 3,730.2	$ 962.7	$ 333.4
As a percent of sales	5.0%	1.6%	0.5%
As a percent of stockholders' equity	18.0%	5.3%	1.9%
Earnings per share of common stock	$11.84	$3.09	$1.07
Dividends per share of common stock	$2.80	$2.40	$2.40
Taxes			
United States, foreign and other income taxes (credit)	$ 2,223.8	($ 252.2)	($ 123.1)
Other taxes (principally payroll and property taxes)	2,675.8	2,470.3	2,505.5
Total	$ 4,899.6	$ 2,218.1	$ 2,382.4
Taxes per share of common stock	$15.61	$7.22	$7.97
Investment as of December 31			
Cash and marketable securities	$ 6,216.9	$ 3,126.2	$ 1,320.7
Working capital	$ 5,890.8	$ 1,658.1	$ 1,158.8
Stockholders' equity	$20,766.6	$18,287.1	$17,721.1
Book value per share of common stock	$64.88	$57.64	$57.21
Number of Stockholders as of December 31 (in thousands)	998	1,050	1,138
Worldwide Employment (including financing and insurance subsidiaries)			
Average number of employes (in thousands)	691	657	741
Total payrolls (including profit sharing)	$19,605.3	$17,043.8	$19,257.0
Total cost of an hour worked—U.S. hourly employes	$21.80	$21.50	$19.80
Property			
Real estate, plants and equipment—Expenditures	$ 1,923.0	$ 3,611.1	$ 6,563.3
—Depreciation	$ 2,569.7	$ 2,403.0	$ 1,837.3
Special tools—Expenditures	$ 2,083.7	$ 2,601.0	$ 3,178.1
—Amortization	$ 2,549.9	$ 2,147.5	$ 2,568.9
Total expenditures	$ 4,006.7	$ 6,212.1	$ 9,741.4

COVER: CADILLAC MOTOR CAR DIVISION'S 1985 front-wheel-drive Sedan DeVille.

The year 1983 was doubly noteworthy for General Motors. It was the turnaround year we have been working for, and it was also the year of the celebration of your Corporation's 75th Anniversary. General Motors earned a record net income of $3.7 billion on record sales of $74.6 billion. The previous records were net income of $3.5 billion in 1978 and sales of $66.3 billion in 1979. Earnings per share of $11.84 were not a record. The record is $12.24 per share in 1978 when fewer shares were outstanding. GM's 1983 earnings represented an increase of $2,767 million, or $8.75 per share, over 1982 results. The improving economy and higher production volumes contributed to this success. Much of the increase, however, is directly attributable to the continuing spirit of cooperation between GM and its employes which produced outstanding improvements in product quality and operating performance throughout the year. Earnings also benefited from increased income from General Motors Acceptance Corporation.

General Motors also made progress in areas not readily evident from the financial statements. High on the list were various developments which streamlined GM's operations; progress toward putting together a joint venture with Toyota; announcement of Project Saturn, which will fundamentally change the process of building small cars in this country; and the opening of two all-new U.S. assembly plants. Then on January 10, 1984, GM announced a major reorganization to consolidate its North American passenger car and body and assembly operations into two integrated car groups.

We are also pleased to report substantial progress in the fulfillment of our social responsibilities in such areas as equal employment opportunity. Employment of minorities and women in GM's work force reflected an improvement, restoring their representation to levels achieved before the recession.

Worldwide factory sales (sales of vehicles to GM dealers) in 1983 totaled 7.8 million cars and trucks, compared with 6.2 million units in 1982 and 6.8 million units in 1981.

The 1983 earnings compared with net income of $963 million, or $3.09 per share, on sales of $60.0 billion in 1982 and net income of $333 million, or $1.07 per share, on sales of $62.7 billion in 1981.

Inflation, of course, was reflected in the gross dollars of sales and earnings and made the year seem even better than it was. Inflation-adjusted data show we have a long way to go to achieve meaningful records. For example, the 1983 earnings were equal to 5.0% of sales, compared with 10% of sales achieved in the mid-Sixties. In addition, the level of earnings remains below the level of capital generation required for successful operations over the long term.

The strength of GM's performance, together with the Corporation's prospects, was reflected in the decision of the Board of Directors to increase the dividend to $1.00 per share for the fourth quarter of 1983. A quarterly dividend rate of $0.60 per share had been in effect since the second quarter of 1980. The increase is consistent with the Board's dedication to providing a stable—and sustainable—pattern of dividends to the owners of the business, at the same time recognizing that General Motors must continue its aggressive product programs. These programs, combined with continued efforts to maintain superior financial strength and achieve international cost competitiveness, will provide GM with the appropriate resources and flexibility to strengthen its competitive position for the longer term. The dividend action thus also provides for your long-term interests as stockholders. Total 1983 dividends of $2.80 per share compared with $2.40 per share paid in 1982 and 1981.

For the first time, employes also are partners in the Corporation's success through the new Profit Sharing Plans. The 1983 profit permits the first payout—$322.2 million to be shared with some 531,000 eligible U.S. hourly and salaried employes. The plans will pay about $640 to each eligible employe who worked a normal schedule throughout 1983. Those hourly employes with average overtime last year will be receiving $700—and those with heavy overtime, considerably more.

One of the most welcome evidences of the 1983 recovery was the callback of GM employes who had been laid off during the protracted downturn. Some 90,000 U.S. employes were recalled during the year or scheduled for return early in 1984. To help the less fortunate who were without jobs, General Motors and the United Auto Workers cooperated in two "Care and Share" food donation programs, one early in 1983 and another before Christmas. GM employes in 75 U.S.

Roger B. Smith *F. James McDonald*

ber of vehicles our Japanese associates may be allowed to export to us under the Japanese government's allocations made in extending voluntary restraints on shipments to the United States. Worldwide, the overvalued dollar remains troublesome, and economic recovery is tentative or recession persistent in many countries, some of which figure prominently in the Corporation's overall success. Even so, GM's best-ever overseas retail sales in 1983 are a demonstration of our ability to compete outside North America in today's economic climate.

Nor are we troubled looking farther ahead by those who brand the auto industry as "mature." In fact, expanding worldwide car and truck sales should reach 60 million units a year some time in the 1990s—and GM intends to compete aggressively for every sale. By contrast, the industry's best year to date was 1978 when worldwide sales were just over 38 million units.

But the global challenge in the auto industry is not going to become any easier; it is going to intensify. As it does, it will only strengthen our determination that General Motors be the one company that makes the most of the unprecedented opportunities that lie ahead. This Report and foldout insert recognize our 75th Anniversary; that's history. But celebration of our beginnings is more than that. The General Motors anniversary theme—"Building on 75 Years of Excellence"—is not just a slogan. It is the pledge of our continuing commitment to you, the owners of the business, and to the customers whose transportation needs we serve—better than anyone else.

Roger B. Smith
Chairman

F. James McDonald
President

plant cities participated in the programs, which provided the equivalent of about 20 million cans of food for America's needy. The need for such programs is just one reminder that we all witnessed too much suffering during the past recession to forget very quickly the lessons it taught.

Indeed, we will be tested this very year on how well we have learned our lessons. We believe a real spirit of cooperation between management and labor is taking hold in the auto industry, and we have the opportunity to build and expand on this new spirit in labor negotiations in the months immediately ahead. We have come this far, working together, and we must continue to exert our best efforts, working together.

While we recognize that continued success is no certainty, we are confident that 1984 can be another good year for General Motors. The U.S. economy should continue to expand, though less rapidly than during the 1983 surge, and consumer confidence is the highest in more than a decade. We anticipate industry sales of 14 million new cars and trucks in the United States in 1984, a 14% increase over 1983. We could have an expanding U.S. economy for five years or more, given a national resolve to avoid a significant renewal of inflation and to ease worries about interest rates.

We were disappointed at the apparently small num-

Review of Operations

In a year of recovery, worldwide retail sales of General Motors vehicles in 1983 totaled approximately 7.6 million units, an increase of 15% from the 1982 total and 12% from 1981. Worldwide retail sales by all manufacturers* totaled approximately 35.4 million vehicles in 1983. General Motors accounted for 21% of this worldwide total, compared with 20% in both 1982 and 1981.

Retail Sales in the United States

Rising consumer confidence bolstered new vehicle sales in the United States as the long-awaited economic recovery took hold and continued throughout the year.

Industry-wide new car and truck sales in the United States for 1983 totaled 12.3 million units, a 17% increase from 1982. Foreign-sponsored cars and trucks accounted for 2.8 million units, or 23% of U.S. sales, compared with 1982 penetration of 24%.

General Motors dealers sold 5.3 million new cars and trucks in the United States in 1983, up 16% from the 4.6 million units sold in 1982. The 1983 total consisted of 4.1 million passenger cars, a 15% increase from the preceding year, and 1.2 million trucks, a 20% increase from 1982 sales. Among the models showing the most year-to-year improvement were the subcompact Chevrolet Cavalier, Pontiac 2000, Oldsmobile Firenza, Buick Skyhawk, and Cadillac Cimarron and the mid-size Chevrolet Celebrity, Pontiac 6000, Oldsmobile Cutlass Ciera, and Buick Century. Sales of GM's new mid-engine, two-passenger Pontiac Fiero, introduced in the 1983 third quarter, were so rapid that dealers were unable to keep up with demand. GM's Oldsmobile and Buick Divisions each had record sales for the 1983 calendar year. Ten of the industry's thirteen best-selling cars in 1983 were GM nameplates, with the Oldsmobile Cutlass Supreme heading the list as the best-selling car in the United States.

General Motors attained 43% of the total combined U.S. car and truck sales in 1983, the same as the year before.

*Estimated data exclude the Soviet Union, parts of Eastern Europe, and the People's Republic of China. Combined vehicle sales in these areas were estimated to be approximately 4 million units in 1983.

Retail Sales in Canada Improve

Sales of passenger cars and trucks in Canada improved during 1983, reflecting the upward momentum evident in the marketplace. Industry-wide retail sales of 1,075,000 vehicles increased 17% from 1982. Foreign-sponsored imports lost four percentage points in penetration from 27% of industry deliveries in 1982 to 23% in 1983.

Retail sales of cars and trucks by GM dealers in Canada totaled 413,000 units, an increase of 26% compared with 1982.

General Motors vehicles accounted for 39% of all new cars and trucks sold in Canada in 1983, compared with 1982 penetration of 36%.

Dollar sales in 1983 by General Motors of Canada Limited, expressed in U.S. dollars, totaled $11.2 billion, up 44% from $7.8 billion reported in 1982.

Overseas Retail Sales Set Records

Although industry sales overseas in 1983 remained about even with the preceding year, General Motors set retail sales records primarily due to its improved product offering and a continuing strong demand for GM products in Europe. Overseas retail sales of General Motors vehicles totaled 1.9 million units, including 1,620,000 cars and 272,000 trucks, an increase of 9% from 1982, topping the previous record set in 1979. GM accounted for nearly 9% of overseas industry sales, up almost a full percentage point from 1982.

In 1983, high interest rates and restrictive monetary and fiscal policies continued to depress sales in many major automotive markets overseas.

In Europe, record GM sales were paced by the debut of the Vauxhall Nova in the United Kingdom and the continued success of the Opel Corsa on the European Continent. Front-wheel-drive Opel Ascona and Vauxhall Cavalier models, as well as the restyled Opel Senator and Rekord models and a new Cavalier wagon in the United Kingdom, made major contributions. In Spain, the 250,000th new Opel Corsa was produced in December 1983, thirteen months after the dedication of the GM Espana plant at Figueruelas.

Total GM European retail sales amounted to 1,245,000 cars and trucks, an increase of 20% from 1982, surpassing the previous record set in 1978. GM passenger car penetration in Europe increased to 11% in 1983 from 10% in 1982. General Motors remained sixth in European passenger car sales, but the distance between GM and the market leader has narrowed to one percentage point in 1983 from five percentage points in 1982.

In the Federal Republic of Germany, GM's sales increased to 452,000 units, 15% above 1982. In the United Kingdom, GM sales totaled 301,000 units, an impressive 36% above 1982. Also in the United Kingdom, the Bedford Commercial Vehicle Division of GM's worldwide Truck & Bus Group began producing its new one-ton electric CF van and announced plans to assemble Isuzu vans at Bedford's Luton facilities.

In Latin America, GM sales totaled 306,000 cars and trucks in 1983, down slightly from the previous year. While most countries in the area continued to suffer from severe inflation and heavy national debt, there were some bright spots. GM vehicle sales in Brazil increased 16% in 1983, to 192,000 units, setting a record in passenger car sales. The restyled Chevrolet Chevette was the best-selling car line in Brazil in 1983. In November, the successful Chevette and front-wheel-drive Monza models were joined by a new Chevette-based pickup for 1984, the Chevrolet 500.

GM sales in Venezuela decreased 23% to 50,000 units in 1983, although the Corporation retained its position as the country's sales leader. The front-wheel-drive Chevrolet Celebrity was introduced in Venezuela in June.

GM sales in Mexico totaled 33,000 units, 40% below 1982. GM remains confident, however, of the long-range prospects for the Mexican motor vehicle industry.

In Africa, GM sales in 1983 totaled 64,000 vehicles, a decrease of 5%. In March 1983, GM Egypt was formed. The Corporation holds a 31% equity interest in GM Egypt. In October, GM signed an agreement in principle to establish a joint venture in Nigeria. Both new companies will assemble commercial vehicles.

CHEVROLET MOTOR DIVISION *was the last of the present-day automobile divisions to join the General Motors family. Founded by William C. Durant and racing car driver Louis Chevrolet in 1911, the Chevrolet Motor Company was acquired by General Motors Corporation in May 1918. Shown at left is a line drawing of one of the first cars produced by Chevrolet after it joined GM. Chevrolet went on to become the most widely sold nameplate in America with North American production exceeding 110 million units since the inception of the original company.*

CHEVROLET CAVALIER CL Sedan

In the Middle East, GM's 1983 sales totaled 79,000 vehicles, a decrease of 16%.

In the Asia/Pacific region, sales were down 7% from 1982, to 193,000 units. In Australia, GM's 1983 sales declined 18% to 111,000 cars and trucks; however, the Holden Camira sold well.

In April, Isuzu Motors Limited, GM's Japanese affiliate, introduced its subcompact Aska. One Aska model is available with a turbocharged diesel engine. Isuzu continues to develop a new subcompact vehicle to be produced in Japan and sold worldwide.

Power Products and Defense Operations

The prolonged economic slump for capital goods continued to impact the demand for GM's power products during 1983 and was the major contributor to the decline in worldwide sales from 1982.

In 1983, Electro-Motive Division (EMD) continued to experience a sales decline, primarily due to lower sales of diesel-electric locomotives. However, the recent resurgence in the economy and resulting increases in rail traffic, beginning in mid-year, and the effect of deregulation have brought forth a railroad system that will be stronger than before.

During 1983, GM of Canada's Diesel Division sales declined in North America due to decreased volume in locomotives and coaches. This decline was partially offset by additional units ordered for export. Delivery of seven electric locomotives for the British Columbia Railway commenced in November 1983. These units are the first electric locomotives in Canada and, consequently, the first manufactured at Diesel Division. The first Light Armored Vehicles for the United States Marine Corps, also manufactured at Diesel Division, were delivered in the last quarter of 1983. This contract for 969 units is scheduled for shipment over the next five years.

In a continuing effort to increase its opportunities and strengthen its competitive position in the defense business, GM made additional changes in its organization during the year. Allison Gas Turbine Operations, which produces aircraft and industrial gas turbine engines, and Delco Systems Operations, which produces guidance, navigation, avionics, computer, and armament systems, as well as automotive electronics, were established as separate activities within the Power Products and Defense Operations Group. A primary goal of this new group is to establish General Motors as the leader throughout the world in the defense business.

GM Restructures North American Passenger Car Operations

On January 10, 1984, General Motors announced organizational changes that result in a new structure for the Corporation's North American passenger car operations. The plan consolidates these operations into two integrated car groups which will function as self-contained business units. The final form of the new organization will integrate Fisher Body Division and GM Assembly Division (GMAD) into the two new car groups.

One business unit will comprise the Chevrolet and Pontiac Divisions and GM of Canada, along with related portions of Fisher Body Division and GMAD. This group will strengthen GM's commitment to small cars and will be assigned responsibility for Project Saturn. GM's Buick, Oldsmobile, and Cadillac Divisions, along with related portions of Fisher Body and GMAD, will form the second business unit, which will be responsible for regular-size and large cars.

One of the primary objectives of this organizational concept is to clearly assign responsibility for the development of each product. In the new structure, each of the two car groups will be totally responsible for its own product, including engineering, manufacturing, assembly, and marketing, and each will be accountable for its quality, performance, and profitability.

GM's five car divisions retain their current product lines and dealer organizations. Provisions exist for divisions in one group to market products engineered and assembled by the other group to the specifications of the division whose dealers will be selling that product. The change does not affect GM's relationships with its dealers and suppliers.

The new organization stems from a detailed study of GM conducted by a special task force formed in September 1982 at the direction of the Executive Committee. To carry out the study, GM formed a small team of experienced GM people augmented by outside consultants.

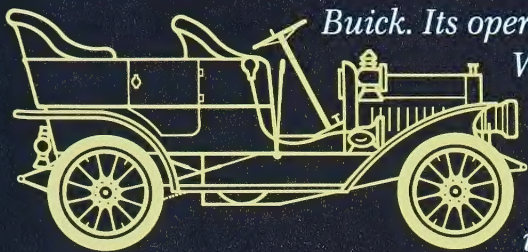
As a result of this restructuring, a number of executive changes were announced, effective January 9, 1984. Alexander A. Cunningham was elected a member of the Board of Directors and Executive Vice President in charge of North American Passenger Car Operations. Prior to his appointment, Mr. Cunningham was Group Executive in charge of the Body and Assembly Group. Lloyd E. Reuss, formerly General Manager of Buick Motor Division, was appointed Group Executive in charge of the Chevrolet-Pontiac-GM of Canada Group. Robert C. Stempel, formerly General Manager of Chevrolet Motor Division, was appointed Group Executive in charge of the Buick-Oldsmobile-Cadillac Group. Charles Katko was appointed Group Executive in charge of the Body and Assembly Group (which during the transition period will include the Guide Division) and will continue as General Manager of Fisher Body Division. The three newly-appointed Group Executives report to Mr. Cunningham.

GM/Toyota Joint Venture Tentatively Approved

On December 22, 1983, the U.S. Federal Trade Commission (FTC) voted provisionally to accept a consent order which will permit General Motors and Japan's Toyota Motor Corporation to form a joint venture to produce a subcompact automobile at an idle GM assembly plant at Fremont, California, to be sold by Chevrolet. The FTC action recognized that the joint venture as structured is pro-competitive and is likely to lead to a more efficient U.S. automobile industry.

The consent order includes provisions which limit GM to no more than 250,000 units annually, limit the duration of the venture to no more than 12 years, and restrict the exchange of competitively sensitive information. The order is subject to a sixty-day public comment

BUICK MOTOR DIVISION *was organized in 1902 in Detroit by David Dunbar Buick. Its operations were subsequently moved to Flint where William C. Durant assumed managerial control. By 1908, Buick had manufactured just under 14,000 cars. Buick became the first acquisition of General Motors Company after its formation in 1908. The line drawing shows a Model "F," one of the first models produced by Buick after joining the company.*



BUICK REGAL LIMITED Coupe

period after which GM expects it to become final. In the meantime, General Motors is continuing to prepare the Fremont facility for production by the end of 1984.

It is anticipated that the joint venture will provide 12,000 jobs for American workers. This number includes some 3,000 people who will be employed at the Fremont plant, which will reopen after being closed for over two years, and approximately 9,000 more jobs supporting the joint venture operation —some at GM plants and others at outside supplier plants and service activities throughout the country.

The joint venture will give GM invaluable "hands-on" experience in Japanese small-car assembly and management techniques that will help it produce small cars domestically at costs that are more competitive with the Japanese, thus keeping jobs in this country.

GM Launches Saturn Project

The most ambitious car-building project ever launched by GM was announced in November 1983. The Saturn Project is a development program for a new family of subcompacts GM plans to produce in this country, using start-to-finish innovation to become cost competitive with small Japanese cars. Also known as GM's "no-year" car, the Saturn is far enough along to begin the transition from the laboratory to the factory; however, much work remains to be done to develop the new product line before it goes into production at still unspecified dates and locations.

Being developed initially are a two-door coupe, four-door sedan, and a utility sports vehicle. Smaller than the present family of GM domestic subcompacts, the Saturn will have comparable interior room, but will be lighter than any car currently produced by GM. The Saturn is designed to deliver about 45 miles per gallon (mpg) in the city and 60 mpg on the highway.

As dramatic as Saturn's design is, the changes in assembly plants will be even more revolutionary. Employe work teams will build Saturn cars using the modular assembly concept, where portions of the car are built as stand-alone components and pretested prior to final vehicle assembly. With modular assembly, GM people will perform a greater variety of operations and be responsible for a total subassembly to increase teamwork, involvement, and quality of work life. The lessons of the GM/Toyota joint venture will play an important role in the Saturn Project.

An important element in GM's small-car project is the Joint Study Center, an unprecedented union-management partnership announced on December 19, 1983 by the UAW and General Motors. The Center will be established upon the principle of complete union and worker involvement in all aspects of manufacturing and assembly plans and processes. While the scope of the Center will be broad, it will give special attention to the entire labor-management relationship in the work environment. The intent is to address any issue or matter that has an impact on this relationship, either directly or indirectly, and to make recommendations for new approaches that will contribute to the ability to produce a quality, competitive product and enhance the job security of the UAW-GM workers who build it.

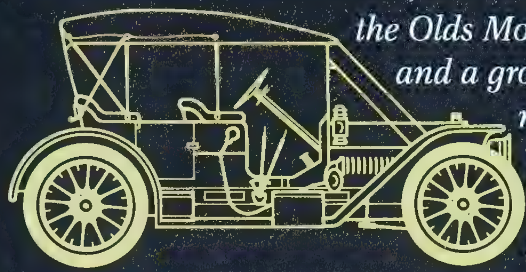
Mandatory Seat-Belt Usage Compatible With Any Strategy

GM testified at a December 1983 hearing called by the National Highway Traffic Safety Administration (NHTSA) as part of the further review required by a U.S. Supreme Court decision overturning NHTSA's 1981 revocation of a passive restraint requirement for new cars. GM emphasized that increasing use of "built-in" safety (rather than "add-on" safety devices such as air bags or passive belts) will benefit belted and unbelted motorists, and at a cost that is far less than air bags.

No matter what course is taken regarding occupant-protection regulation, GM supports immediate mandatory seat-belt use legislation as the most effective way of saving lives. GM believes the case for belt-use legislation is overwhelming. The benefits and acceptance of such laws have been demonstrated in some 30 countries, including Canada, England, West Germany, and Australia. Supplemented by strict enforcement of drunk driving laws, belt-use legislation is the only way to effect a swift reduction in deaths and injuries on the highway. Such action in the U.S. is long overdue and is compatible with any further regulatory strategy.

General Motors made these further points in its NHTSA testimony:

- Automatic belts that can be disconnected are unlikely to increase restraint use beyond the level achievable with existing manual belts. Those that cannot be disconnected might increase belt use initially, but such coercive belts will likely be rejected by the public as the starter interlock was in 1974.
- A passive restraint requirement would divert GM engineering resources away from the development of more publicly acceptable alternatives, such as the "built-in" safety of energy-absorbing interiors.
- In terms of overall occupant safety, air bags alone offer less protection than the use of the lap-shoulder belt combination that is standard equipment in all cars. In fact, air bags do not offer comparable restraint unless the occupant is also wearing a lap belt.
- Air bag technology of the 1970s, developed by GM at a cost of about $160 million, was designed for installation on larger cars. In smaller cars, there is less time available for the sequence of crash-sensing and bag inflation because there is less front-end crush space. (This does not mean that an acceptable air bag system cannot be developed for smaller cars, but it will be more difficult, and has not been accomplished to date.) As GM Chairman Roger B. Smith urged in a letter to Secretary of Transportation Elizabeth Dole, NHTSA should ask an independent consulting firm to conduct studies regarding the costs and engineering adequacy of air bag systems versus other restraint systems, keeping in mind not only the larger cars but the growing proportion of smaller cars.



OLDSMOBILE DIVISION, *the oldest U.S. passenger car manufacturer, was founded as the Olds Motor Vehicle Company in 1897 by Ransom E. Olds and a group of Lansing, Michigan businessmen. At the first meeting, directors instructed Olds to "build one carriage in as nearly a perfect manner as possible." The Olds Motor Vehicle Company became part of the newly-formed General Motors Company in 1908. Oldsmobile sold 1,145 automobiles that year. A 1908 touring car model is depicted in the accompanying line drawing.*

OLDSMOBILE DELTA 88 ROYALE BROUGHAM Sedan

People of General Motors

Employment and Payrolls

GM's worldwide employment and payrolls in 1983 increased over 1982 levels, reflecting increased unit production during the year. Average worldwide employment totaled approximately 691,000 men and women in 1983, with payrolls (including profit sharing) amounting to $19.6 billion. This included 14,500 employes of GM's financing and insurance subsidiaries, whose payrolls amounted to $363.9 million. In comparison, average worldwide employment in 1982 was 657,000 and payrolls totaled $17.0 billion, including 14,700 financing and insurance subsidiary employes with payrolls of $343.7 million.

GM's average U.S. hourly-rate employment in 1983 was 336,000 men and women, with payrolls totaling $11.4 billion. This compared with 313,000 employes and payrolls of $9.2 billion in 1982. In 1983, GM's hourly-rate labor costs in the United States, including benefits for both active and inactive employes, averaged approximately $21.80 per hour worked, compared with approximately $21.50 per hour worked during the previous year.

Benefit Plans

GM's provisions for pension plans, health-care coverages, and other employe benefit programs in the United States totaled $4.7 billion in 1983, compared with $4.3 billion in 1982. Of the 1983 total, pension plan provisions amounted to $1.7 billion, and the cost of providing health-care coverages amounted to $2.2 billion. The fact that Blue Cross and Blue Shield of Michigan is GM's largest single supplier indicates the magnitude of these health-care costs. The cost of other benefit programs, such as life insurance, sickness and accident insurance, Supplemental Unemployment Benefits, Guaranteed Income Stream, and the Savings-Stock Purchase Program, totaled $0.8 billion in 1983.

Equal Employment Opportunity

General Motors continued its commitment to equal employment opportunity and affirmative action during 1983. As a result of improved sales and related recalls of hourly employes, GM's total U.S. employment of minorities and women has returned to levels achieved in 1979. At year-end, minorities represented over 19% of General Motors' total U.S. work force, compared with 18% reported at the end of 1982. Minorities accounted for 12% of white-collar employment and 21% of blue-collar employment, compared with 12% white-collar and 20% blue-collar at year-end 1982.

GM's U.S. employment of women increased from 17% at year-end 1982 to over 18% at the end of 1983. Women accounted for 24% of white-collar employes and 17% of blue-collar employes, compared with 24% white-collar and 15% blue-collar at the end of 1982.

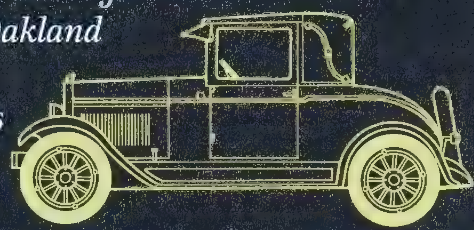
GM Reaches Agreement With EEOC

General Motors will commit approximately $44.5 million, or about $9 million in each of the next five years, to continue and strengthen a number of existing personnel and educational programs, implement several new programs, and carry out other affirmative action efforts to further increase job opportunities for minorities and women in the GM work force.

The programs result from an agreement reached with the U.S. Equal Employment Opportunity Commission in October 1983 to resolve a charge of discrimination brought by the EEOC in 1973 against GM and the UAW. While GM believes it has complied with all equal opportunity laws, regulations, and orders and has made significant progress in hiring and promoting minorities and women, the settlement avoided the possibility of long and costly litigation.

The cornerstone of the agreement is an innovative, forward-looking program which will provide annual grants and endowments of $3 million in each of the next five years for educational institutions and educational assistance programs.

PONTIAC MOTOR DIVISION became part of the GM organization in 1909. This division was first organized in 1907 as the Oakland Motor Car Company. Its owner was Edward M. Murphy, a buggy builder who believed that buggies were an outdated method of transportation and would be replaced some day by the automobile. Oakland introduced a model called Pontiac in 1926, and in 1932 adopted this as its divisional name. The line drawing shows a 1926 Pontiac landau coupe.



PONTIAC PHOENIX Hatchback

GM's U.S. Employes Participate in New Profit Sharing Plans

GM's improved financial results in 1983 were largely due to the outstanding efforts of its people. GM employes, working together, improved the efficiency and quality of our vehicles, while helping to keep costs down. Eligible hourly and salaried employes in the United States will be rewarded for their efforts through GM's new Profit Sharing Plans. The level of earnings attained by GM in 1983 will result in a distribution of $322.2 million to the 531,000 employes eligible to participate in the Plans. An eligible employe who worked a normal schedule throughout 1983 will receive about $640. Those hourly employes with average overtime last year will be receiving $700—and those with heavy overtime, considerably more.

GM's Profit Sharing Plans for hourly and salaried employes represent a significant step forward in management/employe relations. The dollar amount of the distribution is a milestone in history. No other company anywhere in the world, at any time in the past, has ever shared such a large amount of profits with its employes.

On November 21, 1983, the Corporation and the UAW jointly announced the establishment of the Personal Savings Plan for Hourly-Rate Employes. The plan offers eligible U.S. hourly employes the option of having their profit sharing payout placed in a tax-deferred investment trust.

GM's eligible U.S. salaried employes have the opportunity to have their profit sharing funds placed in their GM Savings-Stock Purchase Program (S-SPP) account to benefit from the tax-deferred provisions of the S-SPP "Savings With a Plus" feature, which was established in 1983 to permit participating employes to designate that up to 15% of their earnings be placed in a tax-deferred trust.

Board of Directors

Since our last Annual Report, the following changes in the membership of the Board of Directors were announced:

Donald J. Atwood was elected to the Board, effective January 1, 1984. Mr. Atwood succeeds Reuben R. Jensen as Executive Vice President with responsibility for worldwide Truck & Bus, Power Products and Defense, and Components Operations. In addition to his membership on the Administration Committee, Mr. Atwood also now serves on the Executive Committee.

Mr. Jensen served the Corporation with distinction for 38 years, having retired under provisions of the General Motors Retirement Program, effective January 1, 1984. Mr. Jensen, who had been a member of the Board of Directors for nine years, contributed generously from his extensive background and experience to the deliberations of the Board.

As noted in the discussion of GM's organizational changes on page 6, Alexander A. Cunningham was elected to the Board, effective January 9, 1984. In addition to his membership on the Administration Committee, Mr. Cunningham also serves on the Executive Committee.

We were saddened by the death on September 11, 1983 of Albert Bradley, retired Chairman of General Motors and a member of the Board of Directors until 1972. Mr. Bradley and the late Donaldson Brown are largely credited with establishing the financial operations system and fiscal controls under which GM achieved its preeminent financial position and under which it still operates.

ELECTRO-MOTIVE SD50 Diesel-electric Locomotive

"GMC" was a trademark first applied in 1911 to operations performed by the former Reliance Motor Company, purchased by GM in 1908, and the Rapid Motor Vehicle Company, which joined GM in 1909. The GMC nameplate appeared for the first time on the cab-over-engine truck illustrated here.

CHEVROLET began offering trucks in 1918, when it introduced two models. They were the 490 Commercial, a half-ton chassis model, and the Model "T," a one-ton unit. Chevrolet trucks have historically met with high favor among buyers of commercial personalized transportation.

CHEVROLET S-10 BLAZER *GMC TOP KICK*

Results of Operations

General Motors' net income in 1983 of $3,730.2 million was $2,767.5 million higher than in 1982.

As detailed in the table below, worldwide factory sales (sales of General Motors cars and trucks to its dealers) in 1983 totaled 7,769,000 units, 24% above 1982 unit sales. Worldwide dollar sales in 1983 were $74.6 billion, 24% above 1982. Dollar sales include price adjustments of $3.2 billion in 1983, compared with $2.9 billion in 1982 and $5.0 billion in 1981.

The table shows the percentage contribution to GM's total worldwide dollar sales, before elimination of interarea sales, by U.S., Canadian, and overseas operations. Automotive products accounted for more than 93% of GM's sales in each of the last three years.

In analyzing the earnings for the three years, it should be noted that the two largest cost elements are payments to suppliers (for raw materials and expenses) and the cost of labor. Efforts to control supplier costs, particularly for raw materials and energy, have continued. The cost of labor reflects the U.S. labor agreement, ratified in April 1982, that expires in September 1984.

*The comments covering power products sales (page 6), people of General Motors (pages 10 and 12), and the effects of inflation on financial data (pages 28-29) also should be read as an integral part of this discussion and analysis.

Taxes represent the third largest cost element of the Corporation. The significance of GM's tax burden is illustrated by comparing it with the level of dividends paid. For example, GM's common stockholders received dividends of $2.80, $2.40, and $2.40 per share on their investment in 1983, 1982, and 1981, respectively. During the same period, taxes incurred were equivalent to $15.61, $7.22, and $7.97 per share, respectively.

The Corporation's net income as a percent of sales was 5.0% in 1983, compared with 1.6% in 1982 and 0.5% in 1981.

1983 Compared With 1982

The 1983 net income of $3,730.2 million or $11.84 per share of common stock compares with 1982 net income of $962.7 million or $3.09 per share of common stock. As shown in the table below, that income was earned in the United States and Canada.

The $8.75 per share improvement in earnings in 1983 is primarily attributable to increased volume, an improved product mix, efficiencies due to cost reduction efforts, and increased earnings of GM's financing and insurance operations, General Motors Acceptance Corporation (GMAC) and its subsidiaries. As explained in Note 1 to the Financial Statements, the Corporation implemented Statement of Financial Accounting Standards (SFAS) No. 52, Foreign Currency Translation, effective January 1, 1983. The effect was to reduce net income for 1983 by about $422.5 million ($1.35 per share).

Interest expense decreased from 1982 due to the lower interest costs associated with reduced levels of long-term borrowings.

Total taxes of General Motors, including payroll and property taxes but excluding the taxes of GMAC as discussed below, totaled $4,899.6 million in 1983 compared with $2,218.1 million in 1982 (which included a credit for U.S., foreign and other income taxes). The provision for U.S., foreign and other income taxes in 1983 reflects $1,811.4 million U.S. taxes, which includes the favorable impact of U.S. investment tax credits.

GMAC and its subsidiaries earned a record $1,002.0 million in 1983, compared with the previous record of $688.0 million in 1982, reflecting lower short-term borrowing costs and a higher level of earning assets. GMAC's income taxes, which are provided for separately from GM, increased $194.5 million to a total of $794.1 million for 1983 as a result of increased pretax earnings.

1982 Compared With 1981

The 1982 net income of $962.7 million or $3.09 per share of common stock compared with 1981 net income of $333.4 million or $1.07 per share of common stock.

The $2.02 per share improvement in earnings in 1982 was primarily attributable

Worldwide Factory Sales
(Units in Thousands)

	CARS			TRUCKS & BUSES			TOTAL		
	1983	1982	1981	1983	1982	1981	1983	1982	1981
United States	3,996	3,147	3,894	1,123	895	717	5,119	4,042	4,611
Canada	539	335	432	263	230	243	802	565	675
Overseas†	1,606	1,388	1,174	242	249	302	1,848	1,637	1,476
Total	6,141	4,870	5,500	1,628	1,374	1,262	7,769	6,244	6,762

†Includes units which are manufactured overseas by other companies and which are imported and sold by General Motors and affiliates.

Percentage of Net Income (Loss) Attributable to:

	1983	1982	1981
United States	93%	111%	208%
Canada	16	(3)	(10)
Overseas	(9)	(8)	(98)
Total	100%	100%	100%
Automotive	102%	101%	(20%)
Nonautomotive	(2)	(1)	120
Total	100%	100%	100%

Percentage of Worldwide Dollar Sales Attributable to:

	1983	1982	1981
United States	74%	72%	72%
Canada	13	11	12
Overseas	13	17	16
Total	100%	100%	100%
Automotive	96%	94%	93%
Nonautomotive	4	6	7
Total	100%	100%	100%

to efficiencies due to cost reduction efforts, increased earnings of GMAC and its subsidiaries, translation gains, and the liquidation of last-in, first-out (LIFO) inventory quantities carried at lower costs prevailing in prior years. All these factors more than offset the impact of the reduction in unit sales volume.

Interest expense increased over 1981 due to interest costs associated with expanded levels of short- and long-term borrowings at higher rates.

The credit for U.S., foreign and other income taxes in both 1982 and 1981 reflected the relatively low level of earnings combined with the favorable impact of U.S. investment tax credits.

GMAC and its subsidiaries earned $688.0 million in 1982, versus $365.2 million in 1981, reflecting an increased level of earning assets, the continuing benefits of higher earning rates on receivables purchased during prior periods and a sharp decline in short-term borrowing costs during the latter half of 1982.

Liquidity and Capital Resources

In 1983, cash and marketable securities increased by $3,090.7 million, or 99%, principally reflecting funds provided by current operations, only partially offset by expenditures for property, the net reduction in long-term debt and the net increase in other working capital items (principally accounts and notes receivable). The increase in accounts and notes receivable of $4,099.7 million in 1983 reflects the sales increase as well as an increase in the receivable due from GMAC, which provides the majority of the wholesale financing of General Motors' products. That increase included $2,562.4 million related to dealer vehicle stocks for which payment from GMAC was due at a later date than previously had been the practice.

Cash and marketable securities increased by 137% in 1982 to $3,126.2 million, principally reflecting funds provided by current operations, the net decrease in other working capital items (principally accounts and notes receivable and inventories), and the net increase in long-term debt, only partially offset by expenditures for property. The decrease in accounts and notes receivable of $778.8 million in 1982 reflected the sales decline as well as a decrease in the receivable due from GMAC. The decrease in inventories reflected the decrease in unit sales in 1982 and actions taken to reduce inventories. The increase in prepaid expenses and deferred income taxes for 1982 was due principally to an increase in deferred income taxes for timing differences as explained in Note 6 to the Financial Statements. Other sources of funds of $1,459.2 million in 1982 principally reflected increases in other liabilities and capitalized leases.

Long-term debt was reduced by $1,314.8 million during 1983 as a result of decreases in long-term debt of $4,491.9 million exceeding increases of $3,177.1 million. Accordingly, the ratio of long-term debt to the total of long-term debt and stockholders' equity declined to 13.1% at December 31, 1983.

During 1982, long-term debt had increased $650.9 million because increases of $2,497.4 million exceeded decreases of $1,846.5 million. As a result, the long-term debt ratio had risen to 19.6%.

The ratio of long-term debt and short-term loans payable to the total of this debt and stockholders' equity amounted to 17.5% at December 31, 1983, an improvement of 6.1 points from the 23.6% ratio at December 31, 1982.

The senior long-term debt ratings of GM and GMAC carry the second highest possible rating, while the short-term commercial paper of GMAC continues to carry the highest possible rating. In line with the past practice of maintaining lines of credit, at year-end 1983 the Corporation and its subsidiaries (excluding GMAC) had unused short-term credit lines of approximately $2.9 billion and unused long-term credit agreements of approximately $2.3 billion.

Of the 1983 worldwide capital expenditures, approximately 78% were made in the United States (73% in 1982 and 57% in 1981), 7% in Canada (5% in 1982 and 10% in 1981), and 15% overseas (22% in 1982 and 33% in 1981).

Product programs necessary to respond to the demands of the marketplace for fuel economy and quality, to improve General Motors' competitive position worldwide, to improve plant efficiency, as well as to meet government standards, require continued high capital expenditures. In each of the last eight years, General Motors has introduced substantially redesigned or new models in the United States and Canada. Significant product redesign programs also have been undertaken by overseas subsidiaries. Commitments for capital spending at December 31, 1983 totaled $2.1 billion, and it is anticipated that total capital expenditures will be approximately $6 billion in 1984.

Common stock and capital surplus increases in the last three years reflect

use of newly issued stock for purposes of the Savings-Stock Purchase Programs, the Stock Option Plans, the Employe Stock Ownership Plans and the General Motors Dividend Reinvestment Plan. In addition, the Corporation exchanged common stock for long-term debt in 1983 and 1982.

It is the Corporation's policy to distribute from current earnings such amounts as the outlook and the indicated capital needs of the business permit. In this regard, a strong capital position must be maintained in order to meet capital expenditures in the years ahead.

Accumulated foreign currency translation adjustments of ($661.8) million at December 31, 1983, resulting from the implementation of SFAS No. 52, are included in a new section of stockholders' equity described in Note 1 to the Financial Statements.

Book value per share of General Motors common stock increased in 1983 to $64.88 from $57.64 at the end of 1982. Book value was $57.21 at the end of 1981. Net income as a percent of stockholders' equity was 18.0% in 1983, compared with 5.3% in 1982 and 1.9% in 1981.

General Motors' liquidity can be measured by its current ratio (ratio of current assets to current liabilities). For the years ended December 31, 1983, 1982, and 1981, the current ratio, based on LIFO inventories, was 1.40, 1.13, and 1.09, respectively. The LIFO method, while improving Corporate cash flow, adversely affects the current ratio. The first-in, first-out (FIFO) value of inventories, which more nearly reflects replacement cost, exceeded LIFO amounts at December 31, 1983, 1982, and 1981 by approximately $2.0 billion, $1.9 billion, and $2.1 billion, respectively. If inventories were valued at FIFO cost, the current ratio would be 1.47, 1.21, and 1.18, respectively.

Stockholder Information

The Annual Meeting of Stockholders
will be held at 9:00 a.m. on Friday, May 25, 1984 in Detroit, Michigan.

It is expected that proxy material will be sent to stockholders beginning about April 13, 1984, at which time proxies for use at this Meeting will be requested.

Principal Offices
General Motors Corporation
(a Delaware Corporation)
3044 West Grand Boulevard
Detroit, Michigan 48202

767 Fifth Avenue
New York, New York 10153

Stock Transfer Offices
Morgan Guaranty Trust
Company of New York
30 West Broadway
New York, New York 10015

National Trust Company
Limited
21 King Street, East
Toronto, Ontario M5C 1B3,
Canada

National Trust Company
Limited
1350 Sherbrooke Street, West
Montreal, Quebec H3G 1J1,
Canada

The following materials are available for distribution to stockholders:

S.E.C. Form 10-K
Common stockholders (including beneficial owners) may obtain a copy of the General Motors Corporation Annual Report to the Securities and Exchange Commission on Form 10-K after April 1, 1984.

1984 Public Interest Report
GM's 14th successive annual accounting of its programs, progress, and goals in various areas of public interest will be available in a booklet, "1984 General Motors Public Interest Report," about April 1, 1984.

Tape Recording of 1983 GM Annual Report
A cassette tape recording of major portions of the 1983 Annual Report will be available after April 1, 1984 at no charge for distribution to handicapped persons.

Pricing Information
Detailed pricing information for 1984-model GM cars and selected options (Manufacturer's Suggested Retail Prices, U.S.) is available.

Requests specifying the materials desired should be sent to:
General Motors Corporation, Room 11-229, General Motors Building
3044 West Grand Boulevard, Detroit, Michigan 48202 (313-556-2044)

GENERAL MOTORS celebrated its Seventy-fifth Anniversary on September 16, 1983. It was on this date in 1908 that William C. Durant founded the General Motors Company, predecessor of the current General Motors Corporation. The first company acquired by Durant was the Buick Motor Company. Founded in 1902 by David Dunbar Buick, this company was acquired by GM in 1908, as a result of an exchange of GM stock for Durant-controlled Buick stock. § Within the next year, Durant added Oldsmobile, Cadillac, and Oakland (now Pontiac) to the GM family. The General Motors Company became General Motors Corporation on October 13, 1916, when incorporation papers were filed in Delaware. The remaining U.S. auto division, Chevrolet, was organized in 1911 by Louis Chevrolet and Durant and became part of the Corporation in 1918. Fisher Body, which was organized in 1908, became affiliated with GM in 1919. § GM's Seventy-fifth Anniversary was observed at ceremonies in Detroit, Michigan, the Corporation's world headquarters. Open houses also were held at 136 GM plants and operations in North America, and the "Up With People" organization presented 170 performances for GM employes in 50 plant cities. As the culmination of the anniversary observance, GM and its divisions will sponsor an eight-hour television special in April on the life of George Washington.

GM 75
BUILDING ON 75 YEARS OF EXCELLENCE

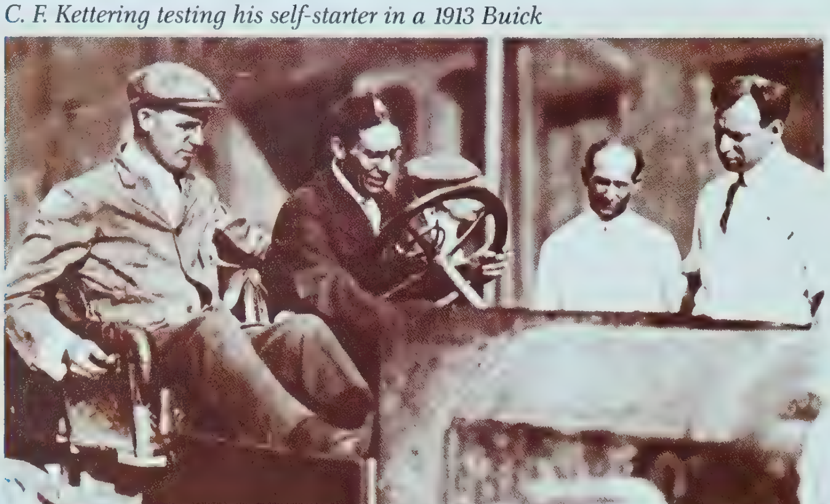
1908 OLDSMOBILE Model M Palace Touring Car

PHOTOGRAPHS OF MILESTONE CARS COURTESY L. SCOTT BAILEY, AUTOMOBILE QUARTERLY

1915 CADILLAC "Center Door" Series 51 Tourer

The Cadillac Automobile Company was organized in 1902 in Detroit by Henry M. Leland. Leland saw the advantages which could be realized by standardizing parts in the production of his autos. His efforts were rewarded in 1908 when Cadillac became the first U.S.-built car to win the Dewar Trophy of the Royal Automobile Club of London. § Cadillac was the first U.S. producer of a successful V8 engine, introduced on 1915 models. § Charles F. "Boss" Kettering made automobile history with the first practical electric self-starter, developed in his Dayton Engineering Laboratories. The self-starter popularized motoring because the increased ease of driving made cars more accessible to the general public.

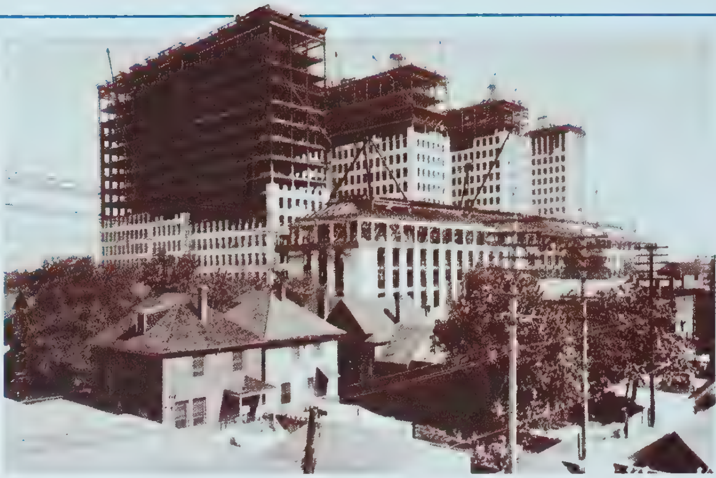
C. F. Kettering testing his self-starter in a 1913 Buick



GM's Futurama exhibit at the 1964-1965 New York World's Fair

The General Motors Futurama exhibit at the 1964-1965 New York World's Fair attracted over 29 million visitors. Nearly 70,000 persons passed through its 10-story entrance canopy each day. The exhibit featured a ride into the future and a product display. § General Motors cars produced during the 1960s reflected the public's expectations of performance and utility. New lines of smaller cars such as the Buick Special, Oldsmobile F-85, and Pontiac Tempest were introduced. Consumer demand for high-performance automobiles was typified by the Pontiac GTO, which was first produced in 1964. § GM built its 75-millionth U.S.-made vehicle in 1962 and its 100-millionth in 1967.

1966 PONTIAC GTO



General Motors Building, Detroit, under construction in 1920

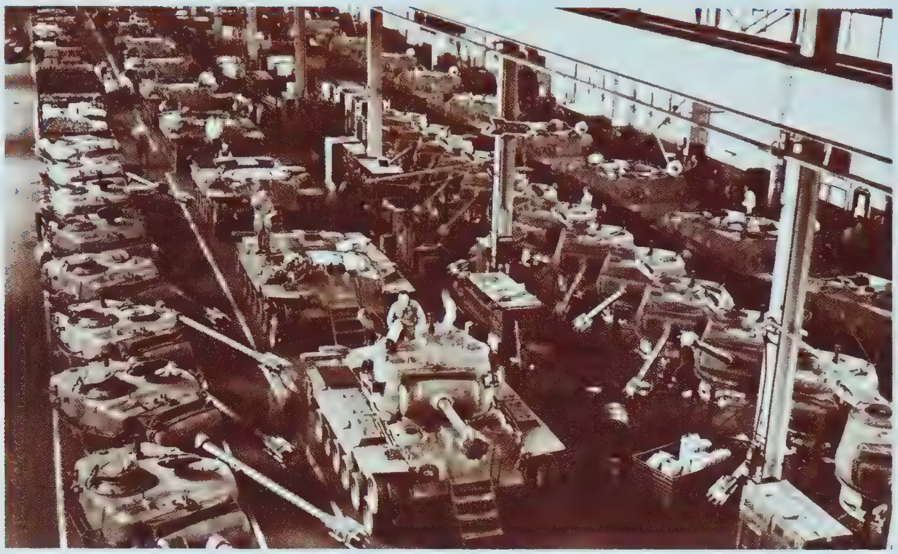
The years following World War I brought many changes to GM. Alfred P. Sloan, Jr., President from 1923 to 1937 and Chairman from 1937 to 1956, developed the concept of management eventually implemented in GM and copied by many other companies: "decentralized operations and responsibilities with co-ordinated control." The headquarters building and a new product concept—"a car for every purse and purpose"—also evolved at this time. § A 1927 LaSalle Model 303 produced by Cadillac was the first professionally styled automobile to achieve success in mass production and was designed by Harley Earl, who later became head of GM's Art and Color Section (now known as the Design Staff).

1927 LASALLE Model 303

1938 CADILLAC 60 SPECIAL

In the 1930s, the Art and Color Section proposed that the car's trunk be made an integral part of the body, as opposed to the then-current design of a separate trunk strapped to a rack. The 1938 Cadillac 60 Special, which incorporated this new feature, was a styling milestone which marked the beginning of a new, smaller Cadillac. It was the first modern mass-produced automobile to have distinct upper and lower halves. § The General Motors "Highways and Horizons" exhibit, designed by Norman Bel Geddes, was the 1939 New York World's Fair's largest single exhibit. It drew 20 million visitors and featured a prophetic vision of the highways of the future.

1939 New York World's Fair featured GM's "Highways and Horizons" exhibit


General Motors produced a variety of military equipment during World War II

The advent of World War II presented GM with one of its most formidable challenges: conversion from the nation's largest auto producer to its largest manufacturer of war materials. A large part of GM's operations had to be transformed, necessitating the retooling of many plants and retraining of hundreds of thousands of workers. GM's war production included 13,000 airplanes, 206,000 aircraft engines, 854,000 trucks, and 38,000 tanks and other armored vehicles. § GM did produce some 1942-model cars prior to the cessation of civilian production. One was the 1942 Buick Super which incorporated the new "Airfoil" fender, a styling innovation featuring front fenders which swept the body's length until they met the leading edges of the rear fenders.

1942 BUICK SUPER Model 56-C

1955 CHEVROLET BEL AIR NOMAD

Car-making resumed after the war, and production soared. The 50-millionth U.S.-made GM vehicle was produced in 1954. The cars of the Fifties were all new, their styling innovations reflecting the postwar desire for change. § During World War II, when different staffs had begun developing plans for postwar operations, the idea evolved of setting aside one area where all the technical staffs would be located. The result was the development of the GM Technical Center, which was dedicated on May 16, 1956. The Technical Center was intended to coordinate the incorporation of research developments into GM products more quickly.

General Motors Technical Center

CHEVROLET DIVISION, GENERAL MOTORS CORP.

1984 CHEVROLET CORVETTE

GM introduced the international-size Seville and subcompact Chevette in 1975, followed by the "downsized" 1977 family-size models. GM's investment in this new generation of trimmer, more fuel-efficient cars was rewarded with resounding marketplace success. § In 1980, GM announced its intention to redesign its vehicles and modernize its assembly plants. The 1984 Chevrolet Corvette is one of the products of these efforts. Commitment to this program opened the way for dramatic technological progress throughout the Corporation. § The production of over 235 million GM transportation products worldwide since 1908 is an achievement unparalleled by any other automotive company. GM's "World of Motion" Pavilion in EPCOT Center at Walt Disney World carries on the tradition of outstanding exhibits demonstrating GM's industrial leadership.

GM's "World of Motion," which opened October 1, 1982, attracted over 9 million visitors by year-end 1983

Responsibilities for Financial Statements

The following financial statements of General Motors Corporation and consolidated subsidiaries were prepared by the management which is responsible for their integrity and objectivity. The statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on judgments of management. Financial information elsewhere in this Annual Report is consistent with that in the financial statements.

Management is further responsible for maintaining a system of internal accounting controls, designed to provide reasonable assurance that the books and records reflect the transactions of the companies and that its established policies and procedures are carefully followed. From a stockholder's point of view, perhaps the most important feature in the system of control is that it is continually reviewed for its effectiveness and is augmented by written policies and guidelines, the careful selection and training of qualified personnel, and a strong program of internal audit.

Deloitte Haskins & Sells, independent certified public accountants, are engaged to examine the financial statements of General Motors Corporation and its subsidiaries and issue reports thereon. Their examination is conducted in accordance with generally accepted auditing standards which comprehend a review of internal accounting controls and a test of transactions. The Accountants' Report appears on page 26.

The Board of Directors, through the Audit Committee (composed entirely of non-employe Directors), is responsible for assuring that management fulfills its responsibilities in the preparation of the financial statements. The Committee selects the independent public accountants annually in advance of the Annual Meeting of Stockholders and submits the selection for ratification at the Meeting. In addition, the Committee reviews the scope of the audits and the accounting principles being applied in financial reporting. The independent public accountants, representatives of management, and the internal auditors meet regularly (separately and jointly) with the Committee to review the activities of each and to ensure that each is properly discharging its responsibilities. To ensure complete independence, Deloitte Haskins & Sells have full and free access to meet with the Committee, without management representatives present, to discuss the results of their examination, the adequacy of internal accounting controls, and the quality of the financial reporting.

Roger B Smith
Chairman

F. Alan Smith
Chief Financial Officer

Statement of Consolidated Income

For the Years Ended December 31, 1983, 1982 and 1981
(Dollars in Millions Except Per Share Amounts)

	1983	1982	1981
Net Sales (Note 2)	$74,581.6	$60,025.6	$62,698.5
Costs and Expenses			
Cost of sales and other operating charges, exclusive of items listed below	60,718.8	51,548.3	55,185.2
Selling, general and administrative expenses	3,234.8	2,964.9	2,715.0
Depreciation of real estate, plants and equipment	2,569.7	2,403.0	1,837.3
Amortization of special tools	2,549.9	2,147.5	2,568.9
Total Costs and Expenses	69,073.2	59,063.7	62,306.4
Operating Income	5,508.4	961.9	392.1
Other income less income deductions—net (Note 4)	815.8	476.3	367.7
Interest expense (Note 1)	(1,352.7)	(1,415.4)	(897.9)
Income (Loss) before Income Taxes	4,971.5	22.8	(138.1)
United States, foreign and other income taxes (credit) (Note 6)	2,223.8	(252.2)	(123.1)
Income (Loss) after Income Taxes	2,747.7	275.0	(15.0)
Equity in earnings of nonconsolidated subsidiaries and associates (dividends received amounted to $757.3 in 1983, $412.7 in 1982 and $189.7 in 1981)	982.5	687.7	348.4
Net Income	3,730.2	962.7	333.4
Dividends on preferred stocks	12.9	12.9	12.9
Earnings on Common Stock	$ 3,717.3	$ 949.8	$ 320.5
Average number of shares of common stock outstanding (in millions)	313.9	307.4	299.1
Earnings Per Share of Common Stock (Note 7)	$11.84	$3.09	$1.07

Reference should be made to notes on pages 20 through 26.

Consolidated Balance Sheet

December 31, 1983 and 1982
(Dollars in Millions Except Per Share Amounts)

ASSETS	1983	1982
Current Assets		
Cash	$ 369.5	$ 279.6
United States Government and other marketable securities and time deposits—at cost, which approximates market of $5,834.6 and $2,835.5	5,847.4	2,846.6
Total cash and marketable securities	6,216.9	3,126.2
Accounts and notes receivable (including GMAC and its subsidiaries—$3,560.7 and $312.0)—less allowances (Note 8)	6,964.2	2,864.5
Inventories (less allowances) (Note 1)	6,621.5	6,184.2
Prepaid expenses and deferred income taxes	997.2	1,868.2
Total Current Assets	20,799.8	14,043.1
Equity in Net Assets of Nonconsolidated Subsidiaries and Associates (principally GMAC and its subsidiaries—Note 8)	4,450.8	4,231.1
Other Investments and Miscellaneous Assets—at cost (less allowances)	1,222.5	1,550.0
Common Stock Held for the Incentive Program (Note 3)	56.3	35.2
Property		
Real estate, plants and equipment—at cost (Note 9)	37,777.8	37,687.2
Less accumulated depreciation (Note 9)	20,116.8	18,148.9
Net real estate, plants and equipment	17,661.0	19,538.3
Special tools—at cost (less amortization)	1,504.1	2,000.1
Total Property	19,165.1	21,538.4
Total Assets	$45,694.5	$41,397.8

LIABILITIES AND STOCKHOLDERS' EQUITY	1983	1982
Current Liabilities		
Accounts payable (principally trade)	$ 4,642.3	$ 3,600.7
Loans payable (principally overseas) (Note 11)	1,255.2	1,182.5
Accrued liabilities (Note 10)	9,011.5	7,601.8
Total Current Liabilities	14,909.0	12,385.0
Long-Term Debt (Note 11)	3,137.2	4,452.0
Capitalized Leases	384.6	293.1
Other Liabilities (including GMAC and its subsidiaries—$300.0 and $876.0)	4,698.2	4,259.8
Deferred Credits (including investment tax credits—$1,281.1 and $1,158.7)	1,798.9	1,720.8
Stockholders' Equity (Notes 3 and 12)		
Preferred stocks ($5.00 series, $183.6; $3.75 series, $100.0)	283.6	283.6
Common stock (issued, 315,711,299 and 312,363,657 shares)	526.2	520.6
Capital surplus (principally additional paid-in capital)	2,136.8	1,930.4
Net income retained for use in the business	18,390.5	15,552.5
Subtotal	21,337.1	18,287.1
Accumulated foreign currency translation and other adjustments (Note 1)	(570.5)	–
Total Stockholders' Equity	20,766.6	18,287.1
Total Liabilities and Stockholders' Equity	$45,694.5	$41,397.8

Reference should be made to notes on pages 20 through 26.

Statement of Changes In Consolidated Financial Position

For the Years Ended December 31, 1983, 1982 and 1981
(Dollars in Millions)

	1983	1982	1981
Source of Funds			
Net income	$ 3,730.2	$ 962.7	$ 333.4
Depreciation of real estate, plants and equipment	2,569.7	2,403.0	1,837.3
Amortization of special tools	2,549.9	2,147.5	2,568.9
Deferred income taxes, undistributed earnings of nonconsolidated subsidiaries and associates, etc.—net	645.5	75.8	68.0
Total funds provided by current operations	9,495.3	5,589.0	4,807.6
Increase in long-term debt	3,177.1	2,497.4	2,172.7
Proceeds from sale of newly issued common stock	212.0	353.5	303.6
Other—net	772.8	1,459.2	1,703.3
Total	13,657.2	9,899.1	8,987.2
Use of Funds			
Dividends paid to stockholders (Note 12)	892.2	750.2	730.5
Decrease in long-term debt	4,491.9	1,846.5	257.6
Expenditures for real estate, plants and equipment	1,923.0	3,611.1	6,563.3
Expenditures for special tools	2,083.7	2,601.0	3,178.1
Increase (Decrease) in other working capital items	1,142.0	(1,306.2)	341.2
Investments in nonconsolidated subsidiaries and associates	33.7	591.0	311.0
Total	10,566.5	8,093.6	11,381.7
Increase (Decrease) in cash and marketable securities	3,090.7	1,805.5	(2,394.5)
Cash and marketable securities at beginning of the year	3,126.2	1,320.7	3,715.2
Cash and marketable securities at end of the year	$ 6,216.9	$3,126.2	$ 1,320.7
Increase (Decrease) in Other Working Capital Items by Element			
Accounts and notes receivable	$ 4,099.7	($ 778.8)	($ 125.1)
Inventories	437.3	(1,038.5)	(72.3)
Prepaid expenses and deferred income taxes	(871.0)	341.1	820.6
Accounts payable	(1,041.6)	99.0	268.0
Loans payable	(72.7)	545.3	(51.3)
Accrued liabilities	(1,409.7)	(474.3)	(498.7)
Increase (Decrease) in other working capital items	$ 1,142.0	($1,306.2)	$ 341.2

Reference should be made to notes on pages 20 through 26.

NOTE 1. Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements include the accounts of the Corporation and all domestic and foreign subsidiaries which are more than 50% owned and engaged principally in manufacturing or wholesale marketing of General Motors products. General Motors' share of earnings or losses of nonconsolidated subsidiaries and of associates in which at least 20% of the voting securities is owned is generally included in consolidated income under the equity method of accounting.

Income Taxes
Investment tax credits are deferred and amortized over the lives of the related assets. The tax effects of timing differences between pretax accounting income and taxable income (principally related to depreciation, sales and product allowances, vehicle instalment sales, undistributed earnings of subsidiaries and associates, and benefit plans expense) are deferred. Provisions are made for estimated United States and foreign taxes, less available tax credits and deductions, which may be incurred on remittance of the Corporation's share of subsidiaries' undistributed earnings less those deemed to be permanently reinvested. Possible taxes beyond those provided would not be material.

Inventories
Inventories are stated generally at cost, which is not in excess of market. The cost of substantially all domestic inventories was determined by the last-in, first-out (LIFO) method. If the first-in, first-out (FIFO) method of inventory valuation had been used by the Corporation for U.S. inventories, it is estimated they would be $2,038.6 million higher at December 31, 1983, compared with $1,886.0 million higher at December 31, 1982. As a result of decreases in unit sales and actions taken to reduce inventories, certain LIFO inventory quantities carried at lower costs prevailing in prior years, as compared with the costs of current purchases, were liquidated in 1982 and 1981. These inventory adjustments favorably affected income (loss) before income taxes by approximately $305.0 million and $89.2 million in the respective years. The cost of inventories outside the United States was determined generally by the FIFO or the average cost method.

Major Classes of Inventories

(Dollars in Millions)	1983	1982
Productive material, work in process and supplies	$4,202.2	$3,774.4
Finished product, service parts, etc.	2,419.3	2,409.8
Total	$6,621.5	$6,184.2

Depreciation and Amortization
Depreciation is provided on groups of property using, with minor exceptions, an accelerated method which accumulates depreciation of approximately two-thirds of the depreciable cost during the first half of the estimated lives of the property.

Expenditures for special tools are amortized, with the amortization applied directly to the asset account, over short periods of time because the utility value of the tools is radically affected by frequent changes in the design of the functional components and appearance of the product. Replacement of special tools for reasons other than changes in products is charged directly to cost of sales.

Pension Program
The Corporation and its subsidiaries have several pension plans covering substantially all of their employes. Benefits under the plans are generally related to an employe's length of service, wages and salaries, and, where applicable, contributions. The costs of these plans are determined on the basis of actuarial cost methods and include amortization of prior service cost over periods not in excess of 30 years from the later of October 1, 1979 or the date such costs are established. With the exception of certain overseas subsidiaries, pension costs accrued are funded within the limitations set by the Employee Retirement Income Security Act.

Product Related Expenses
Expenditures for advertising and sales promotion and for other product related expenses are charged to costs and expenses as incurred; provisions for estimated costs related to product warranty are made at the time the products are sold.

Expenditures for research and development are charged to expenses as incurred and amounted to $2,602.2 million in 1983, $2,175.1 million in 1982 and $2,249.6 million in 1981.

Interest Cost
Total interest cost incurred in 1983, 1982 and 1981 amounted to $1,401.8 million, $1,544.6 million and $995.2 million, respectively, of which $49.1 million, $129.2 million and $97.3 million related to certain real estate, plants and equipment acquired in those years was capitalized.

Accounting Changes
As required by the Financial Accounting Standards Board, effective January 1, 1983, the Corporation implemented Statement of Financial Accounting Standards (SFAS) No. 52, Foreign Currency Translation. Under SFAS No. 52, all assets and liabilities of operations outside the United States, except for operations in highly inflationary economies (principally in Latin America) or those that are highly integrated with operations of the Corporation (principally in Canada), are translated into U.S. dollars using current exchange rates and the effects of foreign currency translation adjustments are deferred and included as a component of stockholders' equity. Foreign currency translation adjustments related to operations in other countries continue to be included in income. The effect of adopting SFAS No. 52 was to reduce net income for 1983 by about $422.5 million ($1.35 per share). The financial statements for prior years have not been restated for this change.

Exchange and translation gains (losses) included in net income in 1983, 1982 and 1981 amounted to ($52.3) million, $348.4 million and $226.2 million, respectively.

The Corporation also implemented SFAS No. 60, Accounting and Reporting by Insurance Enterprises, in 1983. Under SFAS No. 60, investments of insurance subsidiaries in common and nonredeemable preferred stocks are reported at market value. The adjustment to market value is included in stockholders' equity and does not affect net income until realized.

Included in the new section of stockholders' equity titled "Accumulated foreign currency translation and other adjustments" are accumulated foreign currency translation adjustments of ($661.8) million and net unrealized gains on marketable equity securities (net of applicable income taxes) of the Corporation's insurance subsidiaries of $91.3 million.

NOTE 2. Net Sales

(Dollars in Millions)	1983	1982	1981
Net sales includes sales to:			
Nonconsolidated subsidiaries and associates	$ 111.2	$ 96.3	$ 130.4
Dealerships operating under dealership assistance plans	$1,634.3	$1,253.7	$1,688.9

Unrealized intercompany profits on sales to nonconsolidated subsidiaries and to associates are deferred.

NOTE 3. Incentive Program

The Incentive Program consists of the General Motors Bonus Plan, the General Motors Stock Option Plans and the General Motors Performance Achievement Plan. The By-Laws provide that the Plans in which directors or officers of the Corporation may participate shall be presented for action at a stockholders' meeting at least once in every five years. The Program was last approved by stockholders at the 1982 Annual Meeting.

The Corporation maintains a reserve for purposes of the Bonus Plan. For any year, a maximum credit may be made to the reserve equal to the amount which the independent public accountants of the Corporation determine to be 8% of the net earnings which exceed $1 billion, but not in excess of the amount paid out as dividends on the common stock during the year. The Bonus and Salary Committee may, at its discretion, direct that for any year an amount less than the maximum amount available under the formula be credited. Further, the Committee may, but is not obligated to, award as bonus in any year the full amount available in the reserve for such awards. Bonus awards under the Bonus Plan and such other amounts arising out of the operation of the Bonus Plan as the Committee may determine are charged to the reserve.

The Bonus and Salary Committee has determined to limit the credit for 1983 to the reserve to the maximum permitted under the Bonus Plan formula approved by stockholders in 1977, as determined by the independent public accountants. The credit of $180.0 million so determined was less than the maximum which could have been credited to the reserve under the Bonus Plan approved by stockholders in 1982 and, as required by the Bonus Plan, less than the amount distributed as dividends to holders of General Motors common stock in 1983. On February 6, 1984, the Committee granted awards to 5,808 employes approximating the aggregate amount available for distribution, consisting of $180.0 million credited to the reserve in 1983 plus the unawarded reserve of $1.7 million carried forward from 1979. These awards consisted of 1,259,218 shares of General Motors common stock (including 586,034 unissued shares), valued at an average of $72.19 per share for award purposes in accordance with the Bonus Plan, and $90.8 million in cash. No credits were made to the Bonus Plan reserve in 1982 and 1981.

In 1982, the Committee established performance achievement levels for the initial three-year phase-in period and for the first five-year period ending in 1986 under the Performance Achievement Plan approved by stockholders in 1982. Under the Plan, the annual average of the aggregate final awards relating to the aggregate target awards granted in the years 1982 through 1986 shall not exceed $60 million. Payment of these awards is contingent upon achievement of earnings in relation to average worldwide industry sales volume targets over the term of the performance period related to each grant. In the future, it is anticipated that new grants will be made every two years. Employes selected to participate in the Plan are granted target awards payable in cash and/or stock which are, in general, expressed as a percentage of the participant's salary at the beginning of the performance period. Accruals of $15.5 million and $11.0 million were made in 1983 to recognize progress toward achieving the three-year and five-year earnings targets, respectively, through 1983. The awards for these periods will not be paid until 1985 and 1987, respectively, with the ultimate amounts dependent on actual performance. There was no accrual in 1982 for the Plan.

Under the provisions of the Bonus Plan, participants receive their awards in instalments in as many as three years. Performance Achievement Plan awards are to be paid as soon as is practicable following completion of the performance period. If participants in the Plans fail to meet conditions precedent to receiving undelivered instalments of bonus and performance achievement awards (and contingent credits related to the Stock Option Plan prior to 1977), the amount of any such instalments is credited to income. Upon the exercise of stock options, any related contingent credits are proportionately reduced and the amount of the reduction is credited to income.

Changes during 1981, 1982 and 1983 in the status of options granted under the Stock Option Plans are shown in the following table. The option prices are 100% of the average of the highest and lowest sales prices of General Motors common stock on the dates the options were granted as reported (1) on the New York Stock Exchange for options granted prior to 1976, and (2) on the Composite Tape of transactions on all major exchanges and nonexchange markets in the U.S. for options granted in 1976 and subsequent years. Incentive stock options expire ten years from date of grant. Nonqualified stock options granted prior to 1982 expire ten years from date of grant and nonqualified stock options granted in 1982 and thereafter expire ten years and two days from date of grant. Options are subject to earlier termination under certain conditions.

The Corporation intends to deliver newly issued stock upon the exercise of any of the options. The maximum number of shares for which additional options might be granted under the Plans was 1,230,055 at January 1, 1981, 931,405 at December 31, 1981, 6,760,945 at December 31, 1982 and 6,195,185 at December 31, 1983.

	Years Granted	Option Prices	Shares Under Option
Outstanding at Jan. 1, 1981	1973-1980	$50.00-$73.38	1,612,613
Granted	1981	50.00	464,255
Terminated	1973-1981		(269,195)
Outstanding at Dec. 31, 1981			1,807,673
Granted:	March 1982	38.25	897,150
	Oct. 1982	46.50	740,420
Exercised	1980-1981	50.00-53.25	(1,635)
Terminated	1973-1982		(191,469)
Outstanding at Dec. 31, 1982			3,252,139
Granted	1983	72.88	586,820
Exercised	1974-1982	38.25-66.57	(627,318)
Terminated	1973-1983		(111,347)
Outstanding at Dec. 31, 1983			3,100,294
Options outstanding at December 31, 1983 consisted of:			
1972 Plan	1974	$50.00	53,646
	1976	65.19	45,588
1977 Plan	1977	66.57	171,935
	1978	63.75	199,970
	1979	59.50	234,350
	1980	53.25	285,016
	1981	50.00	279,719
	1982	38.25	555,975
1982 Plan	1982	46.50	694,175
	1983	72.88	579,920
Total Shares Under Option			3,100,294

(continued)

NOTE 3. (concluded)

Common stock held for the Incentive Program is stated substantially at cost and used exclusively for payment of Program liabilities.

(Dollars in Millions)	1983		1982	
	Shares	Amount	Shares	Amount
Balance at Jan. 1	592,207	$35.2	1,177,137	$71.5
Acquired during the year	594,680	42.6	2,039	.1
Sold to trustee of S-SPP	—	—	(2,723)	(.1)
Delivered to participants	(358,614)	(21.5)	(584,246)	(36.3)
Balance at Dec. 31	828,273	$56.3	592,207	$35.2

NOTE 4. Other Income Less Income Deductions

(Dollars in Millions)	1983	1982	1981
Other income:			
Interest	$719.5	$483.6	$427.9
Other*	161.7	174.5	123.6
Income deductions	(65.4)	(181.8)	(183.8)
Net	$815.8	$476.3	$367.7

*Includes gains of $13.9 million in 1983 and $48.7 million in 1982 from early retirements of long-term debt.

NOTE 5. Pension Program

Total pension expense of the Corporation and its consolidated subsidiaries amounted to $1,714.2 million in 1983, $1,565.9 million in 1982 and $1,493.8 million in 1981. For purposes of determining pension expense, the Corporation uses a variety of assumed rates of return on pension funds in accordance with local practice and regulations, which rates approximate 7%. The following table compares accumulated plan benefits and plan net assets for the Corporation's defined benefit plans in the United States as of October 1 (the plans' anniversary date) of both 1983 and 1982:

(Dollars in Millions)	1983	1982
Actuarial present value of accumulated plan benefits:		
Vested	$18,239.5	$16,347.8
Nonvested	3,159.9	1,754.1
Total	$21,399.4	$18,101.9
Net assets available for benefits:		
Trustees	$14,817.8	$11,381.7
Insurance companies	3,310.2	3,130.6
Total	$18,128.0	$14,512.3

The assumed rates of return used in determining the actuarial present value of accumulated plan benefits shown in the table above were based upon those published by the Pension Benefit Guaranty Corporation, a public corporation established under the Employee Retirement Income Security Act (ERISA). Such rates averaged approximately 9% for 1983 and approximately 10¼% for 1982.

The Corporation's pension plans of subsidiaries outside the United States are not required to report to governmental agencies pursuant to ERISA and the actuarial value of accumulated benefits for these plans has not been determined in the manner calculated and shown above. The total of these plans' pension funds and balance sheet accruals, less pension prepayments and deferred charges, exceeded the actuarially computed value of vested benefits by approximately $497 million at December 31, 1983 and $483 million at December 31, 1982.

NOTE 6. United States, Foreign and Other Income Taxes (Credit)

(Dollars in Millions)	1983	1982	1981
Taxes estimated to be payable (refundable) currently:			
United States Federal	$ 254.4	($168.6)	$442.9
Foreign	146.0	98.6	62.4
State and local	126.0	(8.1)	41.4
Total	526.4	(78.1)	546.7
Taxes deferred—net:			
United States Federal	1,241.3	(146.3)	(829.3)
Foreign	192.7	(35.0)	(57.9)
State and local	142.0	(40.4)	(89.6)
Total	1,576.0	(221.7)	(976.8)
Investment tax credits deferred—net:			
United States Federal	47.7	85.3	312.6
Foreign	73.7	(37.7)	(5.6)
Total	121.4	47.6	307.0
Total taxes (credit)	$2,223.8	($252.2)	($123.1)

Investment tax credits entering into the determination of taxes estimated to be payable (refundable) currently amounted to $406.2 million in 1983, $403.0 million in 1982 and $592.1 million in 1981.

The deferred taxes (credit) for timing differences consisted principally of the following: 1983—$519.2 million for benefit plans expense, ($438.0) million for sales and product allowances, $379.5 million for vehicle instalment sales and $707.5 million for depreciation; 1982—($164.0) million for benefit plans expense, ($172.0) million for sales and product allowances and $275.0 million for depreciation; and 1981—($546.3) million for benefit plans expense and ($267.2) million for sales and product allowances.

Income (loss) before income taxes included the following components:

(Dollars in Millions)	1983	1982	1981
Domestic income	$4,387.6	$170.4	$288.7
Foreign income (loss)	583.9	(147.6)	(426.8)
Total	$4,971.5	$ 22.8	($138.1)

The consolidated income tax (credit) was different than the amount computed at the United States statutory income tax rate for the reasons set forth in the table below:

	1983	1982	1981
Expected tax (credit) at U.S. statutory income tax rate	$2,286.9	$ 10.5	($ 63.5)
Investment tax credits amortized	(284.8)	(355.4)	(285.1)
Foreign tax rate differential	66.5	169.3	213.0
State and local income taxes	144.7	(26.2)	(26.0)
Other adjustments	10.5	(50.4)	38.5
Consolidated income tax (credit)	$2,223.8	($252.2)	($123.1)

NOTE 7. Earnings Per Share of Common Stock

Earnings per share of common stock are based on the average number of shares outstanding during each year. The effect on earnings per share resulting from the assumed exercise of outstanding options and delivery of bonus awards and contingent credits under the Incentive Program is not material.

NOTE 8. General Motors Acceptance Corporation and Subsidiaries

Condensed Consolidated Balance Sheet (Dollars in Millions)	1983	1982
Cash and investments in securities	$ 2,002.6	$ 1,674.2
Finance receivables—net (including GM and affiliates—$300.0 and $876.0)	48,124.4	41,771.1
Other assets	1,271.0	969.4
Total Assets	$51,398.0	$44,414.7
Short-term debt	$26,257.9	$22,114.1
Accounts payable and other liabilities (including GM and affiliates—$3,560.7* and $312.0)	6,216.6	2,689.0
Long-term debt	14,798.1	15,695.5
Stockholder's equity	4,125.4	3,916.1
Total Liabilities and Stockholder's Equity	$51,398.0	$44,414.7

*Includes $2,562.4 million related to dealer vehicle stocks for which payment from GMAC was due at a later date than previously had been the practice. GMAC pays interest to GM on such amounts.

Condensed Statement of Consolidated Income (Dollars in Millions)	1983	1982	1981
Gross Revenue	$7,391.1	$7,255.4	$6,153.9
Interest and discount	4,099.1	4,482.1	4,174.7
Other expenses	2,290.0	2,085.3	1,614.0
Total Expenses	6,389.1	6,567.4	5,788.7
Net Income	$1,002.0	$ 688.0	$ 365.2

NOTE 9. Real Estate, Plants and Equipment and Accumulated Depreciation

(Dollars in Millions)	1983	1982
Real estate, plants and equipment (Note 11):		
Land	$ 347.2	$ 361.8
Land improvements	1,145.1	1,136.8
Leasehold improvements—less amortization	47.1	41.8
Buildings	8,010.2	7,921.3
Machinery and equipment	25,669.1	24,802.1
Furniture and office equipment	469.0	403.6
Capitalized leases	754.7	711.7
Construction in progress	1,335.4	2,308.1
Total	$37,777.8	$37,687.2
Accumulated depreciation:		
Land improvements	$ 628.3	$ 576.5
Buildings	3,937.0	3,650.6
Machinery and equipment	15,057.8	13,505.9
Furniture and office equipment	196.4	160.9
Capitalized leases	297.3	255.0
Total	$20,116.8	$18,148.9

NOTE 10. Accrued Liabilities

(Dollars in Millions)	1983	1982
Taxes, other than income taxes	$1,016.5	$ 885.1
Payrolls	1,633.5	1,476.7
Employe benefits	1,297.2	1,111.4
Dealer and customer allowances, claims, discounts, etc.	3,305.4	2,990.8
Other	1,758.9	1,137.8
Total	$9,011.5	$7,601.8

NOTE 11. Long-Term Debt

(Dollars in Millions)	Interest Rate	Maturity	1983	1982
GM:				
U.S. dollars:				
Notes	8.05 %	1985	$ 300.0	$ 300.0
Notes	10.00	1985-86	125.0	200.0
Notes	12.20	1986-88	200.0	200.0
Notes	10.00	1991	250.0	237.5
Debentures	8.625	2005	102.4	160.1
Adjustable Rate Notes			—	400.0
Other	6.07	1985-2000	80.1	91.9
Other currencies	7.48	1985-87	19.9	411.6
Consolidated subsidiaries:				
U.S. dollars	12.19	1985-93	821.7	931.6
Spanish pesetas	13.74	1985-90	597.9	680.0
Mexican pesos	20.00	1985-88	216.6	65.1
Australian dollars	9.57	1985-91	177.1	213.9
Austrian schillings	6.00	1985-87	132.9	150.7
German marks	6.20	1985-96	106.0	38.9
Venezuelan bolivars	17.62	1985-89	57.6	127.9
Brazilian cruzeiros			—	183.0
Other currencies	Various	1985-2004	59.0	170.0
Total			3,246.2	4,562.2
Less unamortized discount (principally on 10% notes due 1991)			109.0	110.2
Total			$3,137.2	$4,452.0

At year-end 1983, the Corporation and its consolidated subsidiaries had unused short-term credit lines of approximately $2.9 billion and unused long-term credit agreements of approximately $2.3 billion. Long-term debt at December 31, 1983 and 1982 included approximately $883 million and $2,032 million, respectively, of short-term obligations which are intended to be renewed or refinanced under long-term credit agreements. Long-term debt (including current portion) bore interest at a weighted average rate of approximately 11.8% at December 31, 1983 and 13.3% at December 31, 1982.

In 1981, the Corporation and a subsidiary arranged a private financing of $500 million in 10% notes due 1991, of which $475 million was outstanding at December 31, 1982 and $500 million at December 31, 1983. The difference between the 10% stated interest rate and the 14.7% effective rate

(continued)

NOTE 11. (concluded)

at issuance reflects the discount which is being amortized over the lives of the notes. An option to acquire certain real estate in 1991 was also granted. The option holder may deliver the notes in payment for the real estate.

Under the sinking fund provisions of the trust indenture for the Corporation's 8⅝% Debentures due 2005, the Corporation is to make annual sinking fund payments of $3.0 million in 2002 and $11.8 million in each of the years 2003 and 2004.

Maturities of long-term debt in the years 1984 through 1988 are (in millions) $423.4 (included in loans payable at December 31, 1983), $879.9, $504.2, $425.2 and $301.6. Loans payable at December 31, 1982 included $465.4 million current portion of long-term debt.

NOTE 12. Stockholders' Equity

(Dollars in Millions Except Per Share Amounts)	1983	1982	1981
Capital Stock:			
Preferred Stock, without par value, cumulative dividends (authorized, 6,000,000 shares), no change during the year:			
$5.00 series, stated value $100 per share, redeemable at Corporation option at $120 per share (issued, 1,875,366 shares; in treasury, 39,722 shares; outstanding, 1,835,644 shares)	$ 183.6	$ 183.6	$ 183.6
$3.75 series, stated value $100 per share, redeemable at Corporation option at $100 per share (issued and outstanding, 1,000,000 shares)	100.0	100.0	100.0
Common Stock, $1⅔ par value (authorized, 500,000,000 shares):			
Issued at beginning of the year (312,363,657 shares in 1983, 304,804,228 in 1982 and 298,053,782 in 1981)	520.6	508.0	496.7
Newly issued stock sold under provisions of the Stock Option Plans, Employe Stock Ownership Plans, Savings-Stock Purchase Programs and the Dividend Reinvestment Plan (3,029,593 shares in 1983, 6,459,429 in 1982 and 6,750,446 in 1981) and exchanged for long-term debt (318,049 shares in 1983 and 1,100,000 in 1982)	5.6	12.6	11.3
Issued at end of the year (315,711,299 shares in 1983, 312,363,657 in 1982 and 304,804,228 in 1981)	526.2	520.6	508.0
Total capital stock at end of the year	809.8	804.2	791.6
Capital Surplus (principally additional paid-in capital):			
Balance at beginning of the year	1,930.4	1,589.5	1,297.2
Proceeds in excess of par value of newly issued common stock sold under provisions of the Stock Option Plans, Employe Stock Ownership Plans, Savings-Stock Purchase Programs and the Dividend Reinvestment Plan and, in 1983 and 1982, exchanged for long-term debt	206.4	340.9	292.3
Balance at end of the year	2,136.8	1,930.4	1,589.5
Net Income Retained for Use in the Business:			
Balance at beginning of the year	15,552.5	15,340.0	15,737.1
Net income	3,730.2	962.7	333.4
Total	19,282.7	16,302.7	16,070.5
Cash dividends:			
Preferred stock, $5.00 series, $5.00 per share	9.2	9.2	9.2
Preferred stock, $3.75 series, $3.75 per share	3.7	3.7	3.7
Common stock, $2.80 per share in 1983 and $2.40 in 1982 and 1981	879.3	737.3	717.6
Total cash dividends	892.2	750.2	730.5
Balance at end of the year	18,390.5	15,552.5	15,340.0
Accumulated Foreign Currency Translation and Other Adjustments (Note 1):			
Adjustments as of January 1, 1983:			
Accumulated foreign currency translation adjustments	(668.0)	–	–
Net unrealized gains on marketable equity securities	68.1	–	–
Changes during the year:			
Accumulated foreign currency translation adjustments	6.2	–	–
Net unrealized gains on marketable equity securities	23.2	–	–
Balance at end of the year	(570.5)	–	–
Total Stockholders' Equity	$20,766.6	$18,287.1	$17,721.1

The preferred stock is subject to redemption at the option of the Board of Directors on any dividend date on not less than thirty days' notice at the redemption prices stated above plus accrued dividends.

The Certificate of Incorporation provides that no cash dividends may be paid on the common stock so long as current assets (excluding prepaid expenses) in excess of current liabilities of the Corporation are less than $75 per share of outstanding preferred stock. Such current assets (with inventories calculated on the FIFO basis) in excess of current liabilities were greater than $75 in respect of each share of outstanding preferred stock at December 31, 1983.

The equity of the Corporation and its consolidated subsidiaries in the accumulated net loss, since acquisition, of associates has been included in net income retained for use in the business.

NOTE 13. Segment Reporting

General Motors is a highly vertically-integrated business operating primarily in a single industry consisting of the manufacture, assembly and sale of automobiles, trucks and related parts and accessories classified as automotive products. Because of the high degree of integration, substantial interdivisional and intercompany transfers of materials and services are made. Consequently, any determination of income by area of operations or class of products is necessarily arbitrary because of the allocation and reallocation of costs, including Corporate costs, benefiting more than one division or product.

Substantially all of General Motors' products are marketed through retail dealers and through distributors and jobbers in the United States and Canada and through distributors and dealers overseas. To assist in the merchandising of General Motors' products, GMAC and its subsidiaries offer financial services and certain types of automobile insurance to dealers and customers.

Net sales, net income (loss), total and net assets and average number of employes in the U.S. and in locations outside the U.S. for 1983, 1982 and 1981 are summarized below. Net income (loss) is after provisions for deferred income taxes applicable to that portion of the undistributed earnings deemed to be not permanently invested, less available tax credits and deductions, and appropriate consolidating adjustments for the geographic areas set forth below. Interarea sales are made at negotiated selling prices. The financial statements for 1982 and 1981 have not been restated for the accounting changes described in Note 1.

1983	United States	Canada	Europe	Latin America	All Other	Total[1]
Net Sales:			(Dollars in Millions)			
Outside	$59,668.7	$ 3,866.4	$7,761.7	$1,742.7	$1,542.1	$74,581.6
Interarea	6,493.4	7,366.0	208.6	653.1	295.4	—
Total net sales	$66,162.1	$11,232.4	$7,970.3	$2,395.8	$1,837.5	$74,581.6
Net Income (Loss)	$ 3,469.0	$ 592.3	($ 228.3)	($ 15.0)	($ 91.1)	$ 3,730.2
Total Assets	$34,670.4	$ 2,385.5	$5,379.1	$2,834.3	$ 813.9	$45,694.5
Net Assets	$18,749.3	$ 1,332.9	($ 120.5)	$ 919.6	$ 8.9	$20,766.6
Average Number of Employes (in thousands)	463	39	123	41	25	691
1982						
Net Sales:						
Outside	$45,650.1	$ 2,621.9	$7,150.5	$2,699.5	$1,903.6	$60,025.6
Interarea	4,673.8	5,350.7	234.3	310.2	192.9	—
Total net sales	$50,323.9	$ 7,972.6	$7,384.8	$3,009.7	$2,096.5	$60,025.6
Net Income (Loss)	$ 1,079.3	($ 33.5)	$ 6.2	($ 16.5)	($ 63.2)	$ 962.7
Total Assets	$29,227.4	$ 2,299.0	$5,952.3	$2,973.3	$1,063.5	$41,397.8
Net Assets	$15,756.0	$ 774.7	$ 803.3	$ 894.3	$ 170.7	$18,287.1
Average Number of Employes (in thousands)	441	34	114	38	30	657
1981						
Net Sales:						
Outside	$47,022.4	$ 4,099.2	$6,585.2	$2,730.0	$2,261.7	$62,698.5
Interarea	5,731.1	4,747.2	265.6	129.9	128.1	—
Total net sales	$52,753.5	$ 8,846.4	$6,850.8	$2,859.9	$2,389.8	$62,698.5
Net Income (Loss)	$ 763.3	($ 35.6)	($ 426.7)	($ 62.6)	$ 129.2	$ 333.4
Total Assets	$27,510.8	$ 2,772.8	$5,208.5	$2,642.8	$ 980.3	$38,979.0
Net Assets	$15,608.7	$ 832.6	$ 505.5	$ 640.7	$ 247.3	$17,721.1
Average Number of Employes (in thousands)	522	39	113	38	29	741

(1) After elimination of interarea transactions.

NOTE 14. Profit Sharing Plans

Profit Sharing Plans were established, effective January 1, 1983, under which eligible United States hourly and salaried employes will share in the success of the Corporation's U.S. operations. Under the Plans' provisions, 10% of profits, as defined, will be shared when the Corporation's U.S. income before income taxes plus equity in U.S. earnings of nonconsolidated subsidiaries (principally GMAC) exceeds 10% of the net worth of U.S. operations plus 5% of the difference between total assets of U.S. operations and net worth of U.S. operations. Amounts applicable to subsidiaries incorporated in the U.S. that are operating outside of the U.S., as well as amounts applicable to associates, are excluded from the calculation. Ten percent of the amount in excess of the minimum annual return, less expenses of administering the Plans and a diversion for the Guaranteed Income Stream Benefit Program and Income Protection Plan, will be distributed to eligible U.S. employes by March 31 following the year earned. The calculation of the profit sharing accrual for 1983 is shown on the next page.

(continued)

NOTE 14. (concluded)

(Dollars in Millions)					1983
Minimum Annual Return	**January 1, 1983**	**December 31, 1983**	**Average**		
Total Assets in the U.S.	$29,295.5	$34,670.4			
Deduct assets of excluded subsidiaries and associates	1,207.4	1,329.8			
Total Assets of U.S. operations as defined in the Plans	$28,088.1	$33,340.6	$30,714.3		
Net Assets in the U.S.	$15,824.1	$18,749.3			
Deduct net assets of excluded subsidiaries and associates	933.2	1,143.6			
Net Worth of U.S. operations as defined in the Plans	$14,890.9	$17,605.7	16,248.3	X 10% =	$1,624.8
Other assets of U.S. operations			$14,466.0	X 5% =	723.3
Minimum Annual Return as defined in the Plans					$2,348.1

Profits as Defined in the Plans	
Net Income in the U.S.	$3,469.0
Add (Deduct): Net income of excluded subsidiaries and associates	(40.4)
Income taxes of U.S. operations	1,796.0
Provision for the Incentive Program applicable to U.S. operations	182.9
Profit sharing accrual	322.2
Administrative expenses of the Plans	1.7
Profits as defined in the Plans	$5,731.4

Profit Sharing Accrual			
Profits as defined in the Plans	$5,731.4		
Deduct Minimum Annual Return as defined in the Plans	2,348.1		
Profits in excess of Minimum Annual Return	$3,383.3	X 10% =	$ 338.3
Deduct: Administrative expenses of the Plans	$ 1.7		
Diversion for Guaranteed Income Stream Benefit Program and Income Protection Plan	14.4		16.1
Profit Sharing Accrual			$ 322.2

NOTE 15. Contingent Liabilities

There are various claims and pending actions against the Corporation and its subsidiaries with respect to commercial matters, including warranties and product liability, governmental regulations including environmental and safety matters, civil rights, antitrust, patent matters, taxes and other matters arising out of the conduct of the business. Certain of these actions purport to be class actions, seeking damages in very large amounts. The amounts of liability on these claims and actions at December 31, 1983 were not determinable but, in the opinion of the management, the ultimate liability resulting will not materially affect the consolidated financial position or results of operations of the Corporation and its consolidated subsidiaries.

ACCOUNTANTS' REPORT

Deloitte
Haskins+Sells
CERTIFIED PUBLIC ACCOUNTANTS

1114 Avenue of the Americas
New York, New York 10036

General Motors Corporation, its Directors and Stockholders:

February 6, 1984

We have examined the Consolidated Balance Sheet of General Motors Corporation and consolidated subsidiaries as of December 31, 1983 and 1982 and the related Statements of Consolidated Income and Changes in Consolidated Financial Position for each of the three years in the period ended December 31, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the companies at December 31, 1983 and 1982 and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1983, in conformity with generally accepted accounting principles consistently applied during the period except for the change in 1983, with which we concur, in the method of accounting for foreign currency translation as described in Note 1 to the Financial Statements.

Deloitte Haskins + Sells

Supplementary Information

Selected Quarterly Data
(Dollars in Millions Except Per Share Amounts)

	1983 Quarters				1982 Quarters			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Net sales	$16,743.8	$19,400.2	$17,619.3	$20,818.3	$14,721.4	$17,144.6	$14,282.6	$13,877.0
Operating income (loss)	692.9	1,775.2	866.0	2,174.3	(7.4)	863.3	(53.6)	159.6
Income (loss) before income taxes	518.5	1,655.7	738.7	2,058.6	(259.7)	665.4	(236.8)	(146.1)
United States, foreign and other income taxes (credit)	112.3	860.8	236.1	1,014.6	(256.8)	236.3	(151.5)	(80.2)
Income (loss) after income taxes	406.2	794.9	502.6	1,044.0	(2.9)	429.1	(85.3)	(65.9)
Equity in earnings of nonconsolidated subsidiaries and associates	246.9	248.5	234.3	252.8	131.2	130.9	214.7	210.9
Net income	653.1	1,043.4	736.9	1,296.8	128.3	560.0	129.4	145.0
Dividends on preferred stocks	3.2	3.3	3.2	3.2	3.2	3.3	3.2	3.2
Earnings on common stock	$ 649.9	$ 1,040.1	$ 733.7	$ 1,293.6	$ 125.1	$ 556.7	$ 126.2	$ 141.8
Average number of shares of common stock outstanding (in millions)	312.4	313.5	314.7	314.8	304.7	306.8	307.6	310.5
Earnings per share of common stock*	$2.08	$3.32	$2.33	$4.11	$0.41	$1.82	$0.41	$0.45
Dividends per share of common stock	$0.60	$0.60	$0.60	$1.00	$0.60	$0.60	$0.60	$0.60
Stock price range**								
High	$65.75	$75.25	$77.50	$80.00	$41.38	$47.13	$50.13	$64.50
Low	$57.38	$56.00	$65.50	$72.00	$34.00	$40.13	$39.63	$46.25

*Includes favorable (unfavorable) effects on earnings per share of foreign exchange/translation activity [1983: first quarter–$0.51, second quarter–($0.45), third quarter–($0.12), fourth quarter–($0.11); 1982: first quarter–$0.83, second quarter–$0.25, third quarter–($0.07), fourth quarter–$0.05].
**The principal market is the New York Stock Exchange and prices are based on the Composite Tape. Common stock is also listed on the Midwest, Pacific and Philadelphia stock exchanges. As of December 31, 1983, there were 983,616 holders of record of common stock.

The effective income tax rates for the 1983 quarters reflect the continuing high level of U.S. investment tax credits. The net credits for income taxes in the 1982 quarters reflect the relatively low level of earnings combined with the favorable impact of U.S. investment tax credits.

Selected Financial Data

(Dollars in Millions Except Per Share Amounts)	1983	1982	1981	1980	1979
Net sales	$74,581.6	$60,025.6	$62,698.5	$57,728.5	$66,311.2
Earnings (loss) on common stock	$ 3,717.3	$ 949.8	$ 320.5	($ 775.4)	$ 2,879.8
Dividends on common stock	879.3	737.3	717.6	861.2	1,520.3
Net income (loss) retained in the year	$ 2,838.0	$ 212.5	($ 397.1)	($ 1,636.6)	$ 1,359.5
Earnings (loss) on common stock–per share	$11.84	$3.09	$1.07	($2.65)	$10.04
Dividends on common stock–per share	2.80	2.40	2.40	2.95	5.30
Net income (loss) retained in the year–per share	$ 9.04	$0.69	($1.33)	($5.60)	$ 4.74
Average number of shares of common stock outstanding (in millions)	313.9	307.4	299.1	292.4	286.8
Dividends on capital stock as a percent of net income	23.9%	77.9%	219.1%	N.A.	53.0%
Expenditures for real estate, plants and equipment	$ 1,923.0	$ 3,611.1	$ 6,563.3	$ 5,160.5	$ 3,351.3
Expenditures for special tools	$ 2,083.7	$ 2,601.0	$ 3,178.1	$ 2,600.0	$ 2,015.0
Cash and marketable securities	$ 6,216.9	$ 3,126.2	$ 1,320.7	$ 3,715.2	$ 2,986.4
Working capital	$ 5,890.8	$ 1,658.1	$ 1,158.8	$ 3,212.1	$ 6,751.0
Total assets	$45,694.5	$41,397.8	$38,979.0	$34,581.0	$32,215.8
Long-term debt and capitalized leases	$ 3,521.8	$ 4,745.1	$ 4,044.0	$ 2,058.3	$ 1,030.8

See Note 1 to the Financial Statements concerning adoption of Statement of Financial Accounting Standards No. 52, Foreign Currency Translation, effective January 1, 1983.

The accompanying Schedules display the basic historical cost financial data adjusted for general inflation (constant dollar) and also for changes in specific prices (current cost) for use in the evaluation of comparative financial results. The Schedules are intended to help readers of financial data assess results in the following specific areas:

a. The erosion of general purchasing power,

b. Enterprise performance,

c. The erosion of operating capability, and

d. Future cash flows.

In reviewing these Schedules, the following comments may be of assistance in understanding the reasons for the different "income" amounts and the uses of the data.

Financial statements—historical cost method

The objective of financial statements, and the primary purpose of accounting, is to furnish, to the fullest extent practicable, objective, quantifiable summaries of the results of financial transactions to those who need or wish to judge management's ability to manage. The data are prepared by management and audited by the independent public accountants.

The present accounting system in general use in the United States and the financial statements prepared by major companies from that system were never intended to be measures of relative economic value, but instead are basically a history of transactions which have occurred and by which current and potential investors and creditors can evaluate their expectations. There are many subjective, analytical, and economic factors which must be taken into consideration when evaluating a company. Those factors cannot be quantified objectively. Just as the financial statements cannot present in reasonable, objective, quantifiable form all of the data necessary to evaluate a business, they also should not be expected to furnish all the data needed to evaluate the effects of inflation on a company.

Data adjusted for general inflation—constant dollar method

The constant dollar income statement contains two basic adjustments to the historical cost data: the provision for depreciation and amortization and the cost of sales data are recalculated. Historical dollar accounting tends to understate the economic cost of property (including special tools) consumed in production because the depreciation and amortization charges are based on the original dollar cost of assets acquired over a period of years. However, the use of accelerated methods of depreciation and amortization tends to counteract this effect. Constant dollar depreciation and amortization restates such expense based on asset values adjusted to reflect increases for inflation subsequent to acquisition or construction of the related property. Cost of sales is adjusted to reflect changes for inflation for the portion of inventories not stated on the last-in, first-out (LIFO) basis in the conventional financial statements. Other items of income and expense are not adjusted for inflation because they generally reflect transactions that took place in 1983 and, therefore, were recorded in average 1983 dollars.

In measuring the effects of inflation on U.S. operations, the U.S. Bureau of Labor Statistics' Consumer Price Index for Urban Consumers (CPI-U) is used. For locations outside the United States, indices which measure the general rate of inflation applicable to the operations are generally used, with the resulting amounts translated into U.S. dollars using year-end foreign currency exchange rates.

Data adjusted for changes in specific prices—current cost method

Another manner in which to analyze the effects of inflation on financial data (and thus the business) is by adjusting the historical cost data to the current costs for the major balance sheet items which have been accumulated through the accounting system over a period of years and which thus reflect different prices for the same commodities and services.

The current cost of property owned and the related depreciation and amortization expense for U.S. operations were calculated by applying (1) selected producer price indices to historical book values of machinery and equipment and (2) the Marshall Valuation Service index to buildings, and the use of assessed values for land. For locations outside the United States, such amounts were calculated generally by applying indices closely related to the assets being measured and translating the resulting amounts using year-end foreign currency exchange rates.

The purpose of this type of restatement is to furnish estimates of the effects of price increases for replacement of inventories and property on the potential future net income of the business and thus assess the probability of future cash flows. Although these data may be useful for this purpose, they do not reflect specific plans for the replacement of property. A more meaningful estimate of the effects of such costs on future earnings is the estimated level of future capital expenditures which is set forth on page 15 in the Financial Review: Management's Discussion and Analysis.

Summary

Under both the constant dollar and the current cost methods, the net income of General Motors is lower (or the net loss is higher) than that determined under the historical cost method. This means that businesses, as well as individuals, are affected by inflation and that the purchasing power of business dollars also has declined. In addition, the costs of maintaining the productive capacity, as reflected in the current cost data (and estimate of future capital expenditures), have increased, and thus management must seek ways to cope with the effects of inflation through accounting methods such as the LIFO method of inventory valuation, which matches current costs with current revenues, and through accelerated methods of depreciation and amortization.

It must be emphasized that there is a continuing need for national monetary and fiscal policies designed to control inflation and to provide adequate capital for future business growth which, in turn, will mean increased productivity and employment.

SCHEDULE A

Comparison of Selected Data Adjusted for Effects of Changing Prices
(Dollars in Millions Except Per Share Amounts)
Historical cost data adjusted for general inflation (constant dollar) and changes in specific prices (current cost). (A)

	1983	1982	1981	1980	1979
Net Sales—as reported	$74,581.6	$60,025.6	$62,698.5	$57,728.5	$66,311.2
—in constant 1967 dollars	24,993.8	20,762.9	23,017.1	23,390.8	30,501.9
Net Income (Loss)—as reported	$ 3,730.2	$ 962.7	$ 333.4	($ 762.5)	$ 2,892.7
—in constant 1967 dollars	1,199.2(B)	(38.9)	(305.8)	(1,023.8)	817.0
—in current cost 1967 dollars	1,144.0(B)	71.7	(252.8)	(829.5)	829.5
Net income (loss) as a percent of sales—as reported	5.0%	1.6%	0.5%	(1.3%)	4.4%
—in constant 1967 dollars	4.8	(0.2)	(1.3)	(4.4)	2.7
—in current cost 1967 dollars	4.6	0.3	(1.1)	(3.5)	2.7
Earnings (Loss) per share of common stock—as reported	$11.84	$3.09	$1.07	($2.65)	$10.04
—in constant 1967 dollars	3.80(B)	(0.14)	(1.04)	(3.52)	2.83
—in current cost 1967 dollars	3.63(B)	0.22	(0.86)	(2.86)	2.87
Dividends per share of common stock—as reported	$2.80	$2.40	$2.40	$2.95	$5.30
—in constant 1967 dollars	0.94	0.83	0.88	1.20	2.44
Net assets at year-end—as reported	$20,766.6	$18,287.1	$17,721.1	$17,814.6	$19,179.3
—in constant 1967 dollars	11,059.5	10,153.9	10,247.2	10,887.6	12,163.4
—in current cost 1967 dollars	10,635.1	9,818.3	10,450.9	11,377.2	12,982.7
Accumulated foreign currency translation adjustments					
—as reported	($ 661.8)				
—in constant 1967 dollars	(109.3)				
—in current cost 1967 dollars	(129.8)				
Unrealized gain from decline in purchasing power of dollars of net amounts owed	$ 86.5	$ 130.5	$ 241.3	$ 182.3	$ 83.8
Excess of increase in general price level over increase in specific prices of inventory and property	$ 78.4	$ 861.2	$ 619.0	$ 689.2	$ 221.8
Market price per common share at year-end—unadjusted	$74.38	$62.38	$38.50	$45.00	$50.00
—in constant 1967 dollars	24.93	21.58	14.13	18.23	23.00
Average Consumer Price Index	298.4	289.1	272.4	246.8	217.4

(A) Adjusted data have generally been determined by applying the Consumer Price Index—Urban to the data with 1967 (CPI-100) as the base year. Depreciation has been determined on a straight-line basis for this calculation.

(B) These amounts will differ from those shown for constant dollar and current cost in Schedule B because a different base year (1983) has been used in Schedule B in order to illustrate the effect of changing prices in an alternative form.

SCHEDULE B

Schedule of Income Adjusted for Changing Prices
For the Year Ended December 31, 1983
(Dollars in Millions Except Per Share Amounts)

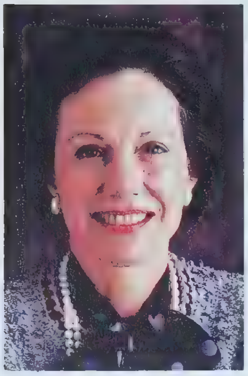
	As Reported in the Financial Statements (Historical Cost)	Adjusted for General Inflation (1983 Constant Dollar)	Adjusted for Changes in Specific Prices (1983 Current Cost)
Net Sales	$74,581.6	$74,581.6	$74,581.6
Cost of sales	60,718.8	60,870.7	60,767.0
Depreciation and amortization expense (A)	5,119.6	5,025.8	5,387.9
Other operating and nonoperating items—net	2,789.2	2,789.2	2,789.2
United States and other income taxes	2,223.8	2,223.8	2,223.8
Total costs and expenses	70,851.4	70,909.5	71,167.9
Net Income	$ 3,730.2	$ 3,672.1(B)	$ 3,413.7(B)
Earnings per share of common stock	$11.84	$11.66(B)	$10.83(B)
Accumulated foreign currency translation adjustments	($ 661.8)	($ 462.4)	($ 387.5)
Unrealized gain from decline in purchasing power of dollars of net amounts owed		$ 258.0	$ 258.0
Excess of increase in general price level over increase in specific prices of inventory and property			$ 233.9(C)

(A) The recent high level of expenditures for property (including special tools), coupled with the use of accelerated methods for computing historical cost depreciation and amortization, causes the historical cost amounts to approximate constant dollar and current cost depreciation and amortization which are calculated using the straight-line method.

(B) These amounts will differ from those shown for constant dollar and current cost in Schedule A because a different base year (1967) has been used in Schedule A in order to illustrate the effect of changing prices in an alternative form.

(C) At December 31, 1983, current cost of inventory was $8,658.8 million and current cost of property (including special tools), net of accumulated depreciation and amortization, was $28,096.4 million.

Board of Directors



Anne L. Armstrong
Chairman, President's Foreign Intelligence Advisory Board
Director–7 Years

Donald J. Atwood
Executive Vice President, Truck & Bus, Power Products and Defense, and Components Operations
Service–24 Years
Joined Board January 1, 1984

Catherine B. Cleary
Former Chairman of the Board, First Wisconsin Trust Company
(Trust Services)
Director–11 Years

John T. Connor
Chairman of the Board, Schroders Incorporated
(Banking)
Director–18 Years

Alexander A. Cunningha
Executive Vice President, North American Passenger Ca
Operations
Service–36 Years
Joined Board January 9, 198

John D. deButts
Former Chairman of the Board, American Telephone and Telegraph Company
(Communications)
Director–8 Years

James H. Evans
Chairman of the Board, Union Pacific Corporation
(Transportation, Energy, and Natural Resources)
Director–4 Years

Walter A. Fallon
Former Chairman of the Board, Eastman Kodak Company
(Photographic Equipment, Chemicals, and Fibers)
Director–11 Years

Charles T. Fisher, III
Chairman and President, NBD Bancorp Inc.
(Banking)
Director–12 Years

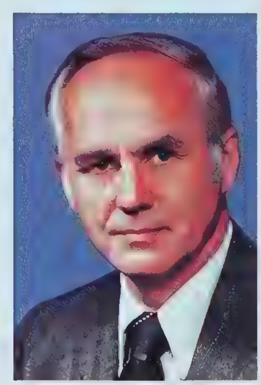
Marvin L. Goldberger
President, California Institute of Technology
(Education)
Director–3 Years

Robert S. Hatfield
Former Chairman of the Board, The Continental Group, Inc.
(Packaging Products)
Director–10 Years

Raymond H. Herzog
Former Chairman of the Board, Minnesota Mining and Manufacturing Company
(Household and Industrial Products)
Director–6 Years

John J. Horan
Chairman of the Board, Merck & Co., Inc.
(Health Products)
Director–4 Years

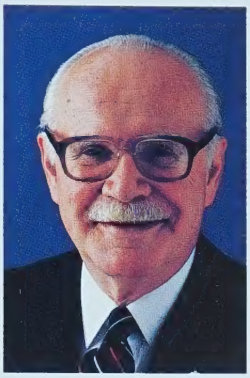
Reuben R. Jensen*
Executive Vice President, Truck & Bus, Power Products and Defense, and Components Operations
Service–38 Years
Director–9 Years



Howard H. Kehrl
Vice Chairman, Board of Directors
Service–36 Years
Director–9 Years

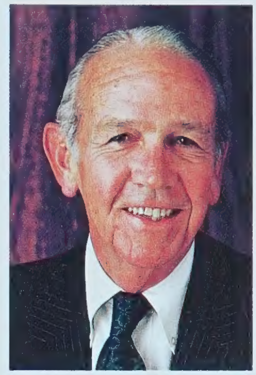
Retired January 1, 1984

F. James McDonald
President and Chief Operating Officer
Service—43 Years
Director—9 Years



W. Earle McLaughlin
Former Chairman of the Board, The Royal Bank of Canada (Banking)
Director—17 Years

Thomas A. Murphy
Former Chairman, Board of Directors
Director—12 Years



Ellmore C. Patterson
Former Chairman of the Board, J. P. Morgan & Co., Inc. (Banking)
Director—10 Years

Edmund T. Pratt, Jr.
Chairman of the Board, Pfizer Inc. (Pharmaceutical Products, Cosmetics, and Chemicals)
Director—7 Years

John G. Smale
President, The Procter & Gamble Company (Household and Industrial Products)
Director—2 Years

F. Alan Smith
Executive Vice President, Finance
Service—28 Years
Director—3 Years

Roger B. Smith
Chairman, Board of Directors and Chief Executive Officer
Service—35 Years
Director—9 Years

Leon H. Sullivan
Pastor, Zion Baptist Church of Philadelphia
Director—13 Years

Charles H. Townes
Professor, University of California (Physics)
Director—10 Years

Committees of the Board

THE FINANCE COMMITTEE includes both employe and non-employe Directors and is responsible for the determination of financial policies and the management of financial affairs including matters such as capital requirements and dividend recommendations to the Board.

Roger B. Smith
Chairman
John T. Connor
Walter A. Fallon
Charles T. Fisher, III
Robert S. Hatfield
Howard H. Kehrl
F. James McDonald
Thomas A. Murphy
Ellmore C. Patterson
Edmund T. Pratt, Jr.
F. Alan Smith

THE EXECUTIVE COMMITTEE is composed entirely of employe Directors and is responsible for determining operating policies, including product plans and the need for capital expenditures.

F. James McDonald
Chairman
Donald J. Atwood
Alexander A. Cunningham
Reuben R. Jensen*
Howard H. Kehrl
F. Alan Smith
Roger B. Smith

**Retired January 1, 1984*

THE AUDIT COMMITTEE, composed entirely of non-employe Directors, selects the independent public accountants annually in advance of the Annual Meeting of Stockholders and submits the selection for ratification at the Meeting. In addition, the Committee reviews the scope and results of the audits, the accounting principles being applied, the effectiveness of the internal controls, and, in its oversight role, assures that management fulfills its responsibilities in the preparation of the financial statements.

John D. deButts
Chairman
Anne L. Armstrong
James H. Evans
Marvin L. Goldberger
John J. Horan
W. Earle McLaughlin
Leon H. Sullivan
Charles H. Townes

THE NOMINATING COMMITTEE, composed entirely of non-employe Directors, conducts continuing studies of the size and composition of the Board of Directors and recommends candidates for membership.

Walter A. Fallon
Chairman
Catherine B. Cleary
John T. Connor
John D. deButts
Charles T. Fisher, III
Robert S. Hatfield
Ellmore C. Patterson

THE BONUS AND SALARY COMMITTEE, composed entirely of non-employe Directors, reviews executive compensation plans and benefit programs and determines compensation of Corporate officers and other members of the management group.

John T. Connor
Chairman
James H. Evans
Walter A. Fallon
Charles T. Fisher, III
Robert S. Hatfield
Raymond H. Herzog
Thomas A. Murphy
Ellmore C. Patterson

THE PUBLIC POLICY COMMITTEE, composed entirely of non-employe Directors, inquires into every phase of Corporate activities that relate to public policy and makes appropriate recommendations to management or the full Board.

Catherine B. Cleary
Chairman
Anne L. Armstrong
John D. deButts
Marvin L. Goldberger
Edmund T. Pratt, Jr.
John G. Smale
Leon H. Sullivan
Charles H. Townes

Officers

Roger B. Smith
Chairman and Chief Executive Officer

F. James McDonald
President and Chief Operating Officer

Howard H. Kehrl
Vice Chairman

EXECUTIVE VICE PRESIDENTS

Donald J. Atwood*

Alexander A. Cunningham**

Reuben R. Jensen†

F. Alan Smith

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David C. Collier
Operating Staffs Group

Edward P. Czapor
Electrical Components Group

Elmer W. Johnson
Public Affairs Staffs Group and General Counsel

Charles Katko**
Body and Assembly Group and General Manager Fisher Body Division

Alex C. Mair
Technical Staffs Group

Paul D. Pender
Mechanical Components Group

David S. Potter
Power Products and Defense Operations Group

Lloyd E. Reuss**
Chevrolet-Pontiac-GM of Canada Group

Robert C. Stempel**
Buick-Oldsmobile-Cadillac Group

James F. Waters, Jr.
Overseas Group

VICE PRESIDENTS

Betsy Ancker-Johnson
Environmental Activities Staff

John F. Beck
North and South American Export Sales

Ferdinand P. J. Beickler
Passenger Cars—Europe

Barton Brown
Asian and African Operations

Robert D. Burger**
General Manager
Chevrolet Motor Division

Charles S. Chapman
Managing Director
General Motors-Holden's Limited

Patrick J. Coletta
General Manager
GM Assembly Division

Robert W. Decker††

Robert J. Eaton
Advanced Product and Manufacturing Engineering Staff

John R. Edman
Financial Staff

Robert A. Frosch
Research Laboratories

John O. Grettenberger**
General Manager
Cadillac Motor Car Division

Donald E. Hackworth**
General Manager
Buick Motor Division

Eugene L. Hartwig
Associate General Counsel

Peter K. Hoglund
General Manager
Electro-Motive Division

William E. Hoglund
General Manager
Pontiac Motor Division

James D. Johnston
Industry-Government Relations Staff

Ludvik F. Koci
General Manager
Detroit Diesel Allison Division

Robert D. Lund
Sales and Marketing Staff

William P. MacKinnon
Personnel Administration and Development Staff

Thomas O. Mathues
Current Engineering and Manufacturing Services Staff

John P. McCormack
Latin American and South African Operations

John W. McNulty
Public Relations Staff

Donald H. McPherson**
Quality and Reliability and Service Parts Operations

Irvin W. Rybicki
Design Staff

Joseph J. Sanchez
General Manager
Oldsmobile Division

John F. Smith, Jr.**
President and General Manage
General Motors of Canada Limited

Otis M. Smith††

Robert B. Stone
Materials Management Staff

Clifford J. Vaughan
Managing Director
General Motors do Brasil S.A.

James G. Vorhes
Consumer Relations and Service Staff

Alfred S. Warren, Jr.
Industrial Relations Staff

Marina v.N. Whitman
Economics Staff

Paul H. Zalecki
Associate General Counsel

STAFF OFFICERS

Courtney F. Jones
Treasurer

Robert T. O'Connell
Comptroller

Diane L. Kaye
Secretary

**Effective January 1, 1984* ***Effective January 9, 1984* *†Retired January 1, 1984* *††On disability leave*

BEDFORD TM 3800

GM do BRASIL CHEVY 500 SL

GM's international operations have their roots in the General Motors Export Company, founded in 1911 to market GM products abroad. Since the Corporation first established assembly plants overseas—sixty years ago—General Motors' operations have expanded to 36 countries outside the U.S. and Canada, with sales in about 200 countries. The proud GM marques now include Opel, Vauxhall, Bedford, and Holden's. The line drawing represents an Opel sedan produced during 1931–1933.

VAUXHALL CAVALIER GL ESTATE (top left), HOLDEN STATESMAN CAPRICE (top right), OPEL SENATOR CD (below)

General Motors Corporation
Detroit, Michigan 48202

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